

TC00-075

CH/HX

DOCKET NO.

Public Utilities Commission of the State of South Dakota

[illegible]

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 212-9291
Facsimile: (770) 212-9208

April 24, 2000

VIA FEDERAL EXPRESS

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070
(605) 773-3201

RECEIVED

APR 25 2000

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: Advanced TelCom Group, Inc.

Dear Mr. Bullard:

Enclosed please find one original and ten (10) copies of Advanced TelCom Group, Inc.'s Application for Registration of a Telecommunications Company to Provide Local Exchange and Interexchange Service.

APPLICANT HAS ALSO ENCLOSED ONE COPY OF FINANCIAL STATEMENTS IN A SEPARATE ENVELOPE MARKED "CONFIDENTIAL AND PROPRIETARY" AND RESPECTFULLY REQUESTS CONFIDENTIAL TREATMENT OF THE ENCLOSED FINANCIAL. APPLICANT EXPECTS THAT THIS INFORMATION WILL BE RESTRICTED TO COUNSEL AGENTS AND EMPLOYEES WHO ARE SPECIFICALLY ASSIGNED TO THIS APPLICATION BY THE COMMISSION.

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
April 24, 2000
Page 2

The information which is the subject of this request is audited financial statements for the year ended December 31, 1999. As a privately-held corporation, the Applicant's financial statements are not made publicly available, and Applicant takes reasonable precautions to maintain and protect the confidentiality of such information. Public disclosure of Applicant's financial information for which this request is made could place Applicant at a competitive disadvantage. For these reasons, Advanced TelCom Group, Inc. hereby respectfully requests that its financial statements be treated as confidential information and not made a part of the public record in this Docket.

I have also enclosed a check in the amount of \$250.00 payable to the "South Dakota Public Utilities Commission" for the filing fee and an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,



Lance J. M. Steinhart
Attorney for Advanced TelCom Group, Inc.

Enclosures

cc: Richard Levin, Esq. (w/enc)

APPLICATION FOR REGISTRATION
OF ADVANCED TELCOM GROUP, INC.
FILED WITH THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE
APPLICATION OF
ADVANCED TELCOM GROUP, INC.
FOR AN ORDER
AUTHORIZING THE REGISTRATION
OF APPLICANT AS A
TELECOMMUNICATIONS COMPANY
TO PROVIDE INTEREXCHANGE
AND LOCAL EXCHANGE SERVICE

Docket No.

RECEIVED

APR 21 2000

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

APPLICATION

Application is hereby made to the South Dakota Public Utilities Commission for an Order authorizing Advanced TelCom Group, Inc. ("ATGI" or "Applicant") to register as a telecommunications company to provide resold and facilities-based local exchange and interexchange service within the state of South Dakota. The following information is furnished in support thereof:

1. Name, Address, Telephone Number, and e-mail of Applicant

Advanced TelCom Group, Inc.
110 Stony Point Rd., Second Floor
Santa Rosa, CA 95401
(707) 284-5000 (Phone)
(707) 284-5001 (Fax)
kthomas@atqi.net (e-mail)

Applicant has no local office in South Dakota at this time.

All inquiries regarding customer complaints and other regulatory matters should be addressed to:

Kathryn Thomas, VP Regulatory & Public Policy
110 Stony Point Rd., Second Floor
Santa Rosa, California 95401
(707) 284-5000
(800) 367-2844 (Customer Service)
kthomas@atqi.net (e-mail)

2. Registered Agent

The name and address of the Applicant's registered agent are:

National Corporate Research, Ltd.
c/o Marilyn Pearson
819 West Third
Pierre, South Dakota 57501

3. Description of the Applicant

Applicant is incorporated in the State of Delaware and is in good standing under the laws of that state. The Company was incorporated on July 1, 1998 as Advanced TelCom Group, Inc. A copy of the Company's Certificate of Incorporation is attached to this Application as Exhibit A. In addition, the Company is authorized to do business as a foreign corporation in the State of South Dakota. Attached as Exhibit B to this Application is a copy of the Company's certificate of qualification to transact business issued by the South Dakota Secretary of State.

Applicant is a wholly-owned operating subsidiary of ATC Group, Inc.

Applicant is authorized to provide interexchange and local exchange telecommunications services, and is in good standing with the appropriate regulatory agency in each such state, in California (12/17/98), Colorado (11/19/99), Connecticut (12/22/99), Idaho (1/15/99), Illinois (12/13/99), Maryland (10/27/99), Michigan (8/31/99), Montana (12/16/99), Nevada (3/30/99), New York (1/8/00), New Jersey (12/20/99), Oregon (12/14/98), Pennsylvania (3/13/00), Texas (6/1/99), Virginia (7/13/99), and Washington (10/26/98), and has obtained authorization from the FCC to provide interstate and international services. Applicant is in the process of applying for authorization to provide competitive local exchange and interexchange services in the 48 contiguous states, Alaska and Hawaii. Applicant has not been denied authority for any of the services for which it seeks authority in this Application. Applicant is currently providing service in California, Maryland, Nevada, Oregon and Washington, and is planning and developing facilities in other states.

The senior management of ATGI has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to ATGI. Since ATGI will be providing resold and facilities-based service, ATGI will also rely upon the managerial and technical expertise of the incumbent local exchange carriers and facilities-based interexchange carriers which have been certified and deemed technically and managerially able to provide exchange service by the Commission. The relevant operational experience of Applicant's key management employees is set forth in Exhibit C which is attached hereto.

The Applicant's customers will primarily be small and medium-sized businesses that need local exchange, access, private line, long distance, data, and other telecommunication services.

4. Facilities

When Advanced TelCom Group, Inc. begins to provide local exchange service in South Dakota, it will provide voice and high speed data services through a combination of the latest technology switching and transport media. Typically, ATGI utilizes the Lucent Technology 5 ESS Generic 11 switch module, ADSL/SDSL transport and Internet service equipment and the latest Optical multiplexer DAC's configurations. The switching system consists of a central processing and control complex capable of interconnection as a peer to the incumbent as well as competitive

local exchange companies. The hub portion of the switch will interconnect with the public switched network on Signaling System 7 ("SS7") or Feature Group D ("FGD") facilities. The system's remote module capability will allow properties to be served in a manner that provides the exchange of appropriate signaling, control and calling/caller information to the network in accordance with network standards and specifications. Additionally, these services will be delivered over a combination of delivery mechanisms through incumbent local carriers' unbundled loop network, both copper and fiber and transport networks, as well as via ATGI constructed facilities. All of Applicant's equipment is capable of providing local number portability, and is compliant and compatible with existing all systems. At the time of the filing of this application, none of this equipment has been installed in the State of South Dakota.

5. Stockholders

The names and address of the each stockholder of Applicant owning 20% or more of the interest in the business are as follows:

Name and Address	Shares Owned	Percentage of all Shares Issued and Outstanding and Voting Control
ATG Group, Inc. 110 Stony Point Rd., Second Floor Santa Rosa, CA 95401	100	100%

6. Officers and Directors

The names and addresses of the officers and directors of Advanced TelCom Group, Inc. are:

Officers:

Clifford G. Rudolph	Chairman & Chief Executive Officer
Thomas A. Grina	Sr. Vice President & Chief Financial Officer
Robert Warstler	President & Chief Operating Officer
Michael Black	Sr. Vice President - Western Region
Curtis Wheeling	Sr. Vice President - Marketing & Business Development & Chief Technical Officer
Charlene S. Curry	Vice President Finance & Treasury
Eric Russell	Vice President Corporate Controller
Kathryn L. Thomas	Vice President Regulatory & Public Policy
Kathleen Klein	Senior Vice President

Directors:

Robert Benbow
Adam Goldman
Joseph McCullen, Jr.
Clifford G. Rudolph
Stephen W. Schovee
Kevin Somerville
John Watkins
Blair P. Whitaker
Bill Price

All of the above-named individuals can be reached at:

Advanced TelCom Group, Inc.
110 Stony Point Rd., Second Floor
Santa Rosa, CA 95401

7. Corporate Ownership

The name and address of any corporation, association or similar organization holding a five percent (5%) or greater ownership in the Applicant is as follows:

ATG Group, Inc.
110 Stony Point Rd., Second Floor
Santa Rosa, CA 95401

100%

8. Subsidiaries owned or controlled by Applicant

Shared Communications Services, Inc.
3723 Fairview Industrial Drive
Salem, OR 97302

NCN Virginia, Corp.
NewComm Net, Inc.
117 W. Patrick Street, #201
Frederick, MD 21701

Advanced TelCom Group of Virginia, Inc.
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

9. Description of Services

Applicant is a facilities-based provider and operator which intends to initially offer interexchange and local exchange services. When Applicant constructs facilities in the area, Applicant will provide services through a combination of its own facilities and unbundled network elements purchased from incumbent local exchange providers. ATG will rely upon the incumbent local exchange companies (ILECs) and other carriers for the provision and access to emergency services (E911 or E911X) services.

services, interexchange services, directory assistance, and telecommunications relay services. ATGI seeks authority to resell and provide facilities-based local exchange services throughout the State of South Dakota in the areas served by any LECs in South Dakota that are not eligible for a small or rural carrier exemption pursuant to Section 251(f)(1) of the Federal Act. ATGI does not seek to provide resold or facilities-based services to customer in those small or rural territories at this time. Such services will be provided by utilizing its own facilities as well as the facilities of incumbent local exchange carriers ("LECs") and facilities-based interexchange carriers, such as Qwest, MCI WorldCom, and Frontier/Global Crossing. ATGI intends to provide all forms of intrastate interexchange and local exchange telecommunications services including:

Interexchange (switched and dedicated services):

- A. 1+ and 101XXXX outbound dialing;
- B. 800/888 toll-free inbound dialing;
- C. Calling cards; and
- D. Data Services.

Local Exchange:

- A. Local Exchange Services for business and residence telecommuter customers that will enable customers to originate and terminate local calls in the local calling area served by other LECs.
- B. Switched local exchange services, including basic service, trunks, carrier access, and any other switched local services that currently exist or will exist in the future.
- C. Non-switched local services (e.g., private line) that currently exist or will exist in the future.
- D. Centrex and/or Centrex-like services that currently exist or will exist in the future.
- E. Digital subscriber line, ISDN, and other high capacity line services.

10. Financial Qualifications

Applicant is financially qualified to provide intrastate local exchange telecommunications services within South Dakota. In particular, Applicant has adequate access to the capital necessary to fulfill any obligations it may undertake with respect to the provision of intrastate local exchange telecommunications services in the State of South Dakota. See Applicant's audited Financial Statements for the year ended December 31, 1999, Exhibit D, which are marked and filed as "Confidential" under separate cover. Applicant's parent company, ATG Group, Inc., has raised more than \$493 million in equity and debt capital since incorporation in July of 1994 to support the operations and capital needs of its operating companies.

11. Service Area Map

ATGI respectfully requests a waiver of ARS 20-12-02-03(c), Service Area Map. ATGI will concur in the exchange area boundaries established by the incumbent LECs.

12. Tariff

Attached hereto as Exhibit K is a copy of ATGI's proposed interexchange tariff. Also attached as Exhibit H is a copy of ATGI's local exchange tariff which is being filed for informational purposes only since Applicant intends to serve less than 50,000 local exchange subscribers in South Dakota.

13. Billing

Applicant will direct bill interexchange and local exchange customers utilizing completed call detail information from its underlying carriers.

14. Solicitation of Customers

ATGI will not submit a change order for local exchange or intrastate toll service until ATGI has obtained the customer's written authorization to submit the order which includes the following information from the customer: (1) The customer billing name, billing telephone number and billing address and each telephone number to be covered by the change order; (2) The decision to change; and (3) The customer's understanding of the change fee, if any.

15. Description of Marketing

Applicant intends to market its services to primarily small to mid-sized businesses and residential telecommuters. Applicants will market through direct sales by employees and agents. Applicant does not intend to engage in multilevel marketing. Applicant's marketing materials for South Dakota have not yet been developed and are not available at this time.

16. Cost Support:

Applicant intends to provide services at a price above its cost. Applicant intends to serve less than 50,000 local exchange subscribers in South Dakota, therefore, is not required to file cost support information.

17. Federal Tax Identification Number:

77-0189158

18. The Number and Nature of Complaints Filed against the Applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered:

None

19. Customer Service

Applicant's customer service department may be contacted nationwide via a toll-free number, 1-800-367-2844. The Company will maintain a Customer Service Department in California exclusively for Customers' questions, requests for service, complaints and trouble handling. The Company's Customer Service address and local or toll free number(s) will be printed on the Customer's bill. The Customer Service Department will be located at 110 Stony Point Road, Second Floor, Santa Rosa, CA 95401. The Company also intends to have a locally staffed office at one or more hub site locations in each state and will provide its customers with a local Customer Service number which will be available 24 hours per day, 7 days per week.

Office Hours- Excluding holidays, Customer Service Representatives will be available 8:00 AM to 5:00 PM standard time Monday through Friday. After hours, Sundays and on holidays, Customers will automatically be forwarded to an answering service or operations center.

Complaint Procedures- The Customer shall pose any inquiries or disputes directly to the Company for resolution. Written communications should be directed to the Company's Customer Service department. All undisputed portions of any outstanding balance due are to be paid while resolution of the inquiry or dispute is pending. The Company will investigate a Customer inquiry or dispute and report the findings to the Customer. If the Company finds its actions to be consistent with its Tariff, the Company will inform the Customer of its no fault finding and require full payment of any outstanding balance due. If the Customer is not satisfied with the Company's resolution of an inquiry or dispute, the Customer may refer the matter to the South Dakota Public Utilities Commission for final determination.

When Applicant installs facilities in the State of South Dakota, facility and equipment maintenance will be performed by the company, either directly or through contract, in order to ensure compliance with any commission quality of service requirements.

20. Interconnection

Applicant initially intends to interconnect with US WEST. Negotiations for interconnection will start at an as yet determined time following certification. Interconnection service is likely to be initiated within 180 days of completion of interconnection negotiations. Applicant has not requested interconnection with any local exchange carrier in South Dakota at this time.

WHEREFORE, the undersigned Applicant requests that the South Dakota Public Utilities Commission enter an order granting this amended application to its Certificate of Authority authorizing Applicant to provide resold and facilities-based interexchange and local exchange services.

DATED this 14 day of April, 1999.

Advanced TelCom Group, Inc.


By:


Lance J.M. Steinhart
Its Attorney

STATE OF CALIFORNIA

COUNTY OF SONOMA

Richard Levin, being first duly sworn, deposes and says that he is the Chief Regulatory Counsel of Advanced TelCom Group, Inc., the Applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same are true of his knowledge, except as to matters which are therein stated on information or belief, and to those matters he believes them to be true.


Richard Levin, Esq.

Subscribed and sworn to before this 18 day of April,
~~1999~~ 2000


Notary Public

My Commission expires:

12-30-03

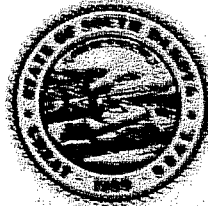


LIST OF EXHIBITS

- A - CERTIFICATE OF AUTHORITY
- B - ARTICLES OF INCORPORATION
- C - BIOGRAPHIES OF THE MANAGEMENT TEAM
- D - FINANCIAL STATEMENTS
- E - PROPOSED TARIFFS

EXHIBIT A - CERTIFICATE OF AUTHORITY

State of South Dakota



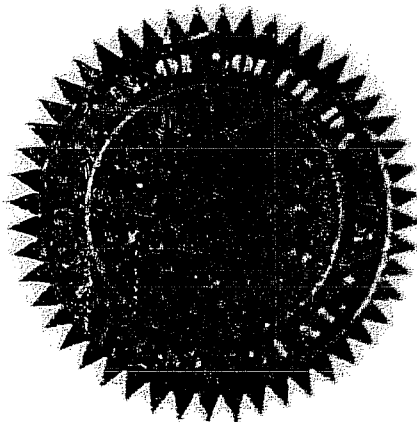
OFFICE OF THE SECRETARY OF STATE

Certificate of Authority

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of **ADVANCED TELCOM GROUP, INC. (DE)** to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this February 3, 2000.



A handwritten signature in cursive script, reading "Joyce Hazeltine".

Joyce Hazeltine
Secretary of State



Secretary of State
State Capitol
500 E. Capitol Ave.
Pierre SD 57501
Phone 605-773-4445
Fax 605-773-4550

FILE NO. _____

RECEIPT NO. _____

RECEIVED

FEB 3 2000

LLS OFF OF STATE

Application for Certificate of Authority

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporate hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following statement:

(1) The name of the corporation is Advanced TelCom Group, Inc.

(check corporate name)

(2) If the name of the corporation does not contain the word "corporation", "incorporated", or "company", or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it uses in thereto for use in this state is

Advanced TelCom Group, Inc.

(3) State where incorporated Delaware

Business Purpose for this Application

(4) The date of its incorporation is 7/1/98
perpetual, is perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is

110 Stony Point Road

Suite 200, Stony Point

GA 30087

mailing address if different from above is:

6455 East Johns Crossing

Suite 200

Duluth

GA

30087

(6) The street address, or a statement that there is no street address, of its principal office in the state of South Dakota is

819 West 3rd, Pierre, SD 57501

and the name of its proposed registered agent in the State of South Dakota is Advanced TelCom Group, Inc.

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are:

Provide Telecommunication Services

(8) The names and respective addresses of its directors and officers are:

Name	Office Title	State	Address	City	State	Zip
See Attached						

(9) The aggregate number of shares which it has authority to issue, classified by classes, and value of shares, which without par value and series, if any, within a class is:

Number of shares	Class	Series	The value per share of common stock
100	common		\$100

**OFFICERS/DIRECTORS OF
ADVANCED TELCOM GROUP, INC.**

Officers

Clifford G. Rudolph
Thomas A. Grina
Kathleen Klein
Robert Warstler
Michael Black
Curtis Wheeling

Charlene S. Curry
Eric Russell

Chairman & CEO
Sr. Vice President & CFO
Senior Vice President
President & COO
Sr. VP-Western Region
Sr. VP Mktg & Business
Development & Chief Technical
Officer
Vice President Finance & Treasury
Vice President Corporate Controller

Directors

Robert F. Benbow
Adam Goldman
Joseph McCullen, Jr.
Clifford G. Rudolph
Stephen W. Schovee
Kevin Somerville
John Watkins
Blair P. Whitaker
Bill Price

All above listed Officers/Directors can be reached at 110 Stony Point
Road, Second Floor, Santa Rosa, CA 95401.

(10) The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
100	common		.0001

(11) The amount of its stated capital is \$.01

Shares issued times par value equals stated capital. In the case of no par value stock, stated capital is the consideration received for the issued shares.

(12) This application is accompanied by a **CERTIFICATE OF FACT** or a **CERTIFICATE OF GOOD STANDING** duly acknowledged by the Secretary of State or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

(13) That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any partnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices thereby.

(14) That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

Dated Jan 7 19 2000

(Signature)

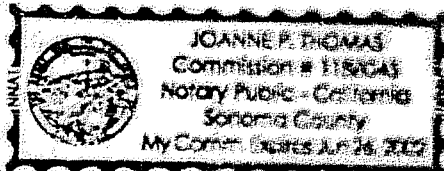
(Title)

James A. Brown
Sr. Vice President - CEO

STATE OF California
COUNTY OF San Diego

I, Joanne P. Thomas, a notary public, do hereby certify that on this 7th day of January, 192000, personally appeared before me Thomas A. Brown, who, being by me first duly sworn, declared that he/she is the Sr. Vice President - CEO of Advanced Silicon Systems, and the statements therein contained are true.

My Commission Expires



Notarial Seal

Joanne P. Thomas
(Notary Public)

The Consent of Appointment below must be signed by the registered agent listed in another set.

Consent of Appointment by the Registered Agent

I, National Corporate Research, Ltd., hereby give my consent to serve as the registered agent for Advanced TelCom Group, Inc.
(name of registered agent)
(corporate name)

Dated _____ 19 ____


(signature of registered agent)
JOHN MORRISSEY, ASST. VP

The proper filing fee must accompany the application. Make checks payable to the Secretary of State.

FEE SCHEDULE

Authorized capital stock of	25,000	or less	\$ 90
Over \$25,000 and not exceeding	100,000		110
Over \$100,000 and not exceeding	500,000		130
Over \$500,000 and not exceeding	1,000,000		150
Over \$1,000,000 and not exceeding	1,500,000		200
Over \$1,500,000 and not exceeding	2,000,000		250
Over \$2,000,000 and not exceeding	2,500,000		300
Over \$2,500,000 and not exceeding	3,000,000		350
Over \$3,000,000 and not exceeding	3,500,000		400
Over \$3,500,000 and not exceeding	4,000,000		450
Over \$4,000,000 and not exceeding	4,500,000		500
Over \$4,500,000 and not exceeding	5,000,000		550

For each additional \$500,000, \$40 in addition to \$550.

For purposes only of computing fees under this section, the dollar value of each authorized share having a par value shall be equal to par value and the value of each authorized share having no par value shall be equal to one hundred dollars per share. The maximum amount charged under this subdivision may not exceed sixteen thousand dollars.

FILING INSTRUCTIONS:

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or its president, or any other officer. One original and one photocopy of the application must be submitted.

The application must be accompanied by an original, currently dated, **CERTIFICATE OF FACT** or a **CERTIFICATE OF GOOD STANDING** from the Secretary of State in the state where incorporated. A photocopy of a certificate is not acceptable. It should be dated within ninety (90) days of submitting it to our office.

South Dakota law requires every corporation to continuously maintain a resident of this state as the registered agent (number six on the application). The registered agent's address is considered the registered office address of the corporation in South Dakota. A complete street address must be listed for service of process.

The Consent of Registered Agent portion must be signed by the South Dakota registered agent.

Mail the application, certificate, and filing fee to the Secretary of State, Corporate Division, 500 E. Capitol Avenue, Pierre, SD 57501-5070. The duplicate and a Certificate of Authority will be returned for your records.

SOUTH DAKOTA SECRETARY OF STATE

OFFICIAL RECEIPT

NUMBER 857295

FORM OF PAYMENT CHECK
CHECK NBR 10449

DATE 02/04/2000
AMOUNT \$ 90.00
BY STANGRA

ADVANCED TELCOM GROUP
110 STONY PT RD STE 200
SANTA ROSA CA 95401-4118

THIS RECEIPT IS IN REFERENCE TO:
ADVANCED TELCOM GROUP, INC.

TRANSACTION DESCRIPTION

AMOUNT

CERTIFICATE OF AUTHORITY.....1

90.00

EXHIBIT B - ARTICLES OF INCORPORATION

NEXT

DOCUMENT (S)

BEST IMAGE

POSSIBLE

STATE OF DELAWARE
DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
FILED 04:30 PM 12/14/89
HARRISBURG - DELAWARE

CERTIFICATE OF INCORPORATION

OF

ADVANCED TELECOM GROUP, INC.

FIRST. The name of the corporation is Advanced Telecom Group, Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is 1225 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The aggregate number of shares which the corporation shall have authority to issue is 200,000 shares, 100,000 shares of Common Stock with the par value of \$1.00 per share, and 100,000 shares of Preferred Stock with the par value of \$1.25 per share.

FIFTH. The name and mailing address of the incorporator are:

Greg Brigger
c/o Wilson Songini Garlick & Parnell, Professional Corporation
650 Page Mill Road
Palo Alto, CA 94304-1030

SIXTH. The Corporation is to have perpetual existence.

SEVENTH. In furtherance and not in limitation of the power conferred by statute, the Board of Directors of the corporation is expressly authorized to adopt, amend or repeal the Bylaws of the corporation, but the stockholders may make additional Bylaws and may also amend or repeal any Bylaw whether adopted by them or otherwise.

EIGHTH. Elections of directors need not be by written ballot except and to the extent provided in the Bylaws of the corporation.

NINTH. The number of directors which constitute the whole Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

TENTH. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept subject to any provision

contained in applicable statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the bylaws of the Corporation.

ELEVENTH. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived any improper personal benefit, and to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Law as the same exists or may hereafter be amended. If the Delaware General Corporation Law is amended after the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of this Article ELEVENTH shall not retroactively affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

TWELFTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained herein, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

The undersigned incorporator hereby acknowledges that the foregoing Certificate of Incorporation is the act and deed of such incorporator and that the facts stated therein are true.

Date: June 29, 1998


Greg Dwyer
Incorporator

EXHIBIT A
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ADVANCED TELCOM GROUP, INC.

FIRST. The name of the corporation is Advanced TelCom Group, Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is 1013 Centre Road, Wilmington, County of New Castle, Delaware 19805. The name of its registered agent at such address is Corporation Service Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares which the corporation shall have authority to issue is 100 shares of capital stock, all of which shall be designated "Common Stock" and the par value of each such share is \$0.0001 per share.

FIFTH. The Board of Directors of the corporation is expressly authorized to adopt, amend or repeal the by-laws of the corporation, but the stockholders may make additional by-laws and may alter or repeal any by-law whether adopted by them or otherwise.

SIXTH. Elections of directors need not be by written ballot except and to the extent provided in the by-laws of the corporation.

SEVENTH. The Corporation is to have perpetual existence.

EIGHTH. The number of directors which constitutes the whole Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

NINTH. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in applicable statute) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the bylaws of the Corporation.

TENTH. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived any improper personal benefit, and to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Law as the same exists or may hereafter be amended. If the Delaware General Corporation Law is amended after the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of this TENTH Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ELEVENTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained herein, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the President of the Corporation, hereby declare and certify that this is my act and deed and the facts herein stated are true and, accordingly, I have executed this Amended and Restated Certificate of Incorporation on the 21st day of April, 1999.


Clifford J. Ruppel, President

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "ADVANCED TELCOM GROUP, INC.", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF JULY, A.D. 1998, AT 4:30 O'CLOCK P.M.



2916207 8100

981359092

Edward J. Freel

Edward J. Freel, Secretary of State
9304637

AUTHENTICATION 09-16-98

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
ADVANCED TELCOM GROUP, INC.

Pursuant to the provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware, the undersigned corporation adopts the following Amended and Restated Certificate of Incorporation and hereby certifies as follows:

1. The name of the corporation is Advanced TelCom Group, Inc. (the "Corporation").

2. The following Amended and Restated Certificate of Incorporation was adopted by the stockholders of the Corporation by unanimous written consent in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

The Certificate of Incorporation of the Corporation, filed with the Delaware Secretary of State on July 1, 1998, is hereby amended and restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is Advanced TelCom Group, Inc. (the "Corporation").

ARTICLE II

REGISTERED OFFICE

The address, including street, number, city and county, of the registered office of the Corporation in the State of Delaware, is 1013 Centre Road, City of Wilmington, County of New Castle, State of Delaware 19805; and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

ARTICLE III

PURPOSES

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

CAPITAL SECURITIES

The total number of shares of capital stock that the Corporation shall have authority to issue is 1,854,000 shares, each of which shall have a par value of \$0.0001 per share and of which

(i) 27,000 shares are hereby designated as Series A Preferred Stock, (ii) 600,000 shares are hereby designated as Series B Preferred Stock, (iii) 27,000 shares are hereby designated as Redeemable Preferred Stock, and (iv) 1,000,000 shares are hereby designated as Common Stock.

The Corporation is authorized to issue, from time to time, all or any portion of the capital stock of the Corporation that is authorized but not issued, to such person or persons and for such lawful consideration as it may deem appropriate, and generally in its absolute discretion to determine the terms and manner of any disposition of such authorized but unissued capital stock.

Any and all such shares issued for which the full consideration has been paid or delivered shall be deemed fully paid shares of capital stock, and the holder of such shares shall not be liable for any further call or assessment or any other payment thereon.

The voting powers, designations, preferences, privileges and relative participating, optional or other special rights, and the qualifications, limitations or restrictions of each class of capital stock of the Corporation shall be as hereafter provided in this Article IV.

A. SERIES A PREFERRED STOCK

1. Election of Directors: Voting.

(a) Election of Directors. For so long as a majority of the shares of Series A Preferred Stock are held by the original purchasers thereof or their respective Affiliates, or until such earlier date as of which a B Round Financing shall have been consummated, unless otherwise agreed by the holders of a majority of the Series A Preferred Stock, (i) the Corporation's Board of Directors shall consist of seven (7) members and (ii) the holders of outstanding shares of Series A Preferred Stock shall, voting together as a separate class, be entitled to elect four (4) Directors of the Corporation (such four Directors being referred to as the "Series A Director Designees"). The election of the Series A Director Designees by the holders of the Series A Preferred Stock may occur (i) at the annual meeting of holders of capital stock, (ii) at any special meeting of holders of capital stock, (iii) at any special meeting of holders of Series A Preferred Stock called by holders of a majority of the issued and outstanding shares of Series A Preferred Stock or (iv) by the written consent of holders of a majority of the issued and outstanding shares of Series A Preferred Stock. So long as the holders of Series A Preferred Stock shall be entitled to elect Series A Director Designees under this Section A.1(a), if any Series A Director Designee should cease to be a Director for any reason, the vacancy shall only be filled by the vote or written consent of the holders of the outstanding shares of Series A Preferred Stock, voting together as a single class in the manner and on the basis specified above. The holders of outstanding shares of Common Stock shall be entitled to vote in the election for all Directors of the Corporation other than the Series A Director Designees, voting together as a single class. The holders of outstanding shares of Series A Preferred Stock may, in their sole discretion, determine to elect less than four (4) Series A Director Designees from time to time, and during any such period the Board of Directors nonetheless shall be deemed duly constituted. From and after such time as the holders of Series A Preferred Stock are no longer entitled to elect Series A Director Designees as set forth above in this Section, all Directors shall be elected by the holders of Common Stock and Series A Preferred Stock, voting together as a single class.

with each outstanding share of Series A Preferred Stock entitled to the number of votes equal to the number of shares of Common Stock into which each share of Series A Preferred Stock may be converted pursuant to Section A.5 on the record date for the vote or written consent of stockholders, as applicable, therefor.

(b) Voting Generally. The holder of each share of Series A Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which each share of Series A Preferred Stock may be converted pursuant to Section A.5 on the record date for the vote or for written consent of stockholders, as applicable. The holder of each share of Series A Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the by-laws of the Corporation and, except as otherwise provided in Section A.1(a), shall vote together with holders of the Common Stock, voting together as single class, upon all matters submitted to a vote of stockholders. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares of Common Stock into which shares of Series A Preferred Stock held by each holder may be converted) shall be rounded to the nearest whole number (with one-half rounded upward to one).

2. Dividends. (a) The holders of Series A Preferred Stock shall be entitled, in preference to the holders of any and all other classes of capital stock of the Corporation ranking junior in right to the Series A Preferred Stock, to receive on each share of Series A Preferred Stock, out of funds legally available therefor, cumulative cash dividends payable at the rate of 15% per annum on the sum of \$74.0741 (such amount, as adjusted from time to time in accordance with Section A.2(b) is referred to as the "Series A Purchase Price"). Such dividends will be calculated and compounded annually in arrears on December 31 of each year (commencing on December 31, 1998) in respect of the prior twelve month period, or portion thereof, (prorated on a daily basis for partial periods). Such dividends shall commence to accrue on each share of Series A Preferred Stock from the date of issuance thereof, whether or not declared by the Board of Directors and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and shall continue to accrue until the Series A Liquidation Preference is paid in full in cash or until the conversion of the Series A Preferred Stock in accordance with Section A.5 (such dividends being referred to as the "Series A Dividends"). Series A Dividends shall be due and payable with respect to each share of Series A Preferred Stock as provided in Sections A.3 and A.4. Series A Dividends paid in cash in an amount less than the total amount of such dividends at the time accumulated and payable on all outstanding shares of Series A Preferred Stock shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. At any time when shares of Series A Preferred Stock are outstanding and the Series A Dividends have not been paid in full in cash, (a) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior in right to the Series A Preferred Stock, and (b) the Corporation shall not, and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation ranking junior in right to the Series A Preferred Stock, any Convertible Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof, provided, however, that the Corporation and its

Subsidiaries may, without regard to this Section A.2, (i) effect transactions of the type described in Article IV, Sections A.6(a), (b) and (c) for which adjustments are made pursuant thereto and (ii) purchase, redeem or acquire shares of Common Stock and Convertible Securities issued to employees, officers or directors of, or consultants or other service providers to, the Corporation or its Subsidiaries pursuant to equity incentive plans or other arrangements approved by the Board of Directors.

(b) All numbers relating to the calculation of dividends pursuant to this Section A.2 shall be equitably adjusted to reflect any stock split, stock dividend, combination, reorganization, recapitalization, reclassification or other similar event involving the Series A Preferred Stock.

3. Liquidation.

(a) Liquidation Preference. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (as further defined in Section A.3(b), a "Liquidation Event"), each holder of outstanding shares of Series A Preferred Stock shall be entitled to be paid with respect to each share of Series A Preferred Stock out of the assets of the Corporation available for distribution to stockholders, whether such assets are capital, surplus or earnings, and before any amount shall be paid or distributed to the holders of Common Stock or of any other stock ranking junior in right to the Series A Preferred Stock, an amount in cash equal to the sum of (i) the Series A Purchase Price plus (ii) any accumulated but unpaid dividends to which such holder of outstanding shares of Series A Preferred Stock is then entitled pursuant to Sections A.2 and A.4(d) hereof, plus (iii) any interest accrued pursuant to Section A.4(c) (such sum being referred to as the "Series A Liquidation Preference"); provided, however, that if upon any Liquidation Event, the amounts payable with respect to the issued and outstanding Series A Preferred Stock are not paid in full, the amounts available for distribution shall be distributed ratably among the holders of Series A Preferred Stock in accordance with their relative holdings thereof.

(b) Consolidation, Merger, etc. A Sale of the Corporation shall be deemed to constitute a "Liquidation Event" for all purposes hereof. Notwithstanding the foregoing, a Sale of the Corporation shall not be deemed to be a Liquidation Event for the purposes of this Section A.3 if the holders of not less than a majority of the issued and outstanding Series A Preferred Stock waive in writing the provisions of this Section A.3 with respect to such transaction. Any reorganization of the Corporation required by any court or administrative body in order to comply with any provision of law shall be deemed to be a Liquidation Event unless the preferences, qualifications, limitations, restrictions and special or relative rights granted to or imposed upon the holders of Series A Preferred Stock are not adversely affected by such reorganization.

(c) The provisions of this Section A.3 shall not in any way limit the right of the holders of Series A Preferred Stock to elect to convert their shares of Series A Preferred Stock into shares of Redeemable Preferred Stock and Common Stock pursuant to Section A.5 below prior to or in connection with any Liquidation Event.

(d) ~~Holders of Series A Preferred Stock shall not be entitled to any dividends~~
~~on account of their Series A Preferred Stock upon the occurrence of any Liquidation~~
~~of the Series A Liquidation Preference.~~

4. Redemption.

(a) Redemption Events.

Upon the election of the holder or holders of more than fifty percent (50%) of the issued and outstanding Series A Preferred Stock made at any time on or after June 30, 1999, if the Corporation shall not have theretofore consummated a B Round Financing, or at any time after the fifth anniversary of the consummation of such B Round Financing, the Corporation shall redeem all (and not less than all, other than pursuant to Section A.4(c) below) of the outstanding shares of Series A Preferred Stock on or before the date set for redemption thereof as provided below at the redemption price specified in Section A.4(b). The foregoing election shall be made by such holders delivering to the Corporation and each of the other holders of Series A Preferred Stock not less than thirty (30) days' prior written notice, which notice shall set forth the date for such redemption that will not be less than thirty (30) days nor more than sixty (60) days from the date of such written notice.

(b) Redemption Date; Redemption Price. Upon the election of the holders of a majority of the issued and outstanding Series A Preferred Stock to cause the Corporation to redeem the Series A Preferred Stock pursuant to Section A.4(a), all holders of Series A Preferred Stock shall be deemed to have elected to cause the Series A Preferred Stock to be so redeemed. Any date upon which a redemption is to occur as specified in a notice thereof in accordance with Section A.4(a) is referred to as a "Series A Redemption Date." The redemption price for each share of Series A Preferred Stock redeemed pursuant to Section A.4 shall be the Series A Liquidation Preference as of the date such share of Series A Preferred Stock is redeemed in full in cash. Such redemption price shall be payable in cash in immediately available funds on the Series A Redemption Date. Until the full redemption price has been paid in cash for all shares of Series A Preferred Stock being redeemed, (A) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior to the Series A Preferred Stock and (B) the Corporation shall, not and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation (other than the Series A Preferred Stock in accordance with this Section A.4), any Convertible Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof; provided, however, that the Corporation and its Subsidiaries may, without regard to this Section A.4(b), (i) effect transactions of the type described in Article IV, Sections A.4(a), (b) and (c) for which adjustments are made pursuant thereto and (ii) purchase, redeem or acquire shares of Common Stock and Convertible Securities issued to employees, officers or directors of, or consultants or other service providers to, the Corporation or its Subsidiaries pursuant to equity incentive plans or other arrangements approved by the Board of Directors.

(c) Redemption Prohibited. If, at a Series A Preferred Redemption Date, the Corporation is prohibited under the DGCL or other applicable law from redeeming all shares of Series A Preferred Stock for which redemption is required hereunder, then it shall redeem such shares on a pro rata basis among the holders of Series A Preferred Stock in proportion to the full respective redemption amounts to which they are entitled hereunder to the extent the Corporation is not so legally prohibited from doing so and shall redeem the remaining shares to be redeemed as soon as the Corporation is not legally prohibited from redeeming some or all of such shares. Any shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all of the rights and preferences provided in this Article IV. In the event that the Corporation fails to redeem shares for which redemption is required pursuant to Section A.4(a)(i), then during the period from the applicable Series A Redemption Date through the date on which such shares are redeemed, the applicable redemption price of such shares plus additional dividends that accumulate in respect of such shares under Section A.4(d) shall bear interest at the rate of 15% per annum, which interest rate shall increase by an additional .5% per annum at the end of each six (6) month period thereafter until the Series A Preferred Redemption Price (as so increased) is paid in full, subject to a maximum rate of 20% per annum and with such interest to be compounded annually. Without limitation of the foregoing, the Corporation shall take such action as shall be necessary or appropriate to remove promptly any impediments to its ability to redeem Series A Preferred Stock under the circumstances contemplated by this Section A.4. Any successor to the Corporation shall agree, as a condition to such succession, to carry out and observe the obligations of the Corporation hereunder with respect to the Series A Preferred Stock.

(d) Dividend After Series A Redemption Date. From and after a Series A Redemption Date, no shares of Series A Preferred Stock subject to redemption shall be entitled to dividends as provided in Section A.2; provided, however, that in the event that shares of Series A Preferred Stock are not for any reason redeemed and continue to be outstanding after the Series A Redemption Date, such shares shall continue to be entitled to dividends as provided in Section A.2 and interest as provided in Section A.4(c) until the date on which such shares are actually redeemed by the Corporation in full in cash.

(e) Surrender of Certificates. Upon receipt of the applicable redemption price therefor, each holder of shares of Series A Preferred Stock so redeemed shall surrender the certificate or certificates representing such shares so redeemed to the Corporation, duly assigned or endorsed for transfer (or accompanied by duly executed stock powers relating thereto), or shall deliver an affidavit or agreement satisfactory to the Corporation to indemnify the Corporation (without the need to post any bond or other security for such obligation) from any loss incurred by it in connection therewith (such an affidavit or agreement with respect to any share certificate issued by the Corporation is referred to as an "Affidavit of Loss") with respect to such certificates at the principal executive office of the Corporation or the office of the transfer agent for the Series A Preferred Stock or such office or offices in the continental United States of an agent for redemption as may from time to time be designated by notice to the holders of Series A Preferred Stock, and each surrendered certificate shall be canceled and retired.

5. Conversion into Redeemable Preferred Stock and Common Stock. The holders of the Series A Preferred Stock shall have the following conversion rights:

(a) Voluntary Conversion. The holders of shares of Series A Preferred Stock shall be entitled at any time, upon the written election of the holder or holders of more than fifty percent (50%) of the issued and outstanding shares of Series A Preferred Stock, without the payment of any additional consideration, to cause each outstanding share of Series A Preferred Stock (but not less than all of such shares) to be converted into (i) one share of fully paid and nonassessable Redeemable Preferred Stock and (ii) a number of shares of fully paid and nonassessable Common Stock determined as hereafter provided in this Section A.5(a). The number of shares of Common Stock issuable per share of Series A Preferred Stock shall be determined on the basis of the ratio that results from dividing (i) the Series A Purchase Price by (ii) the Conversion Price (as defined below) per share, both as in effect for the Series A Preferred Stock at the time of conversion. Upon the filing of this Certificate of Incorporation with the Delaware Secretary of State, the initial "Conversion Price" per share of Series A Preferred Stock shall be the Series A Purchase Price. The number of shares of Common Stock into which shares of Series A Preferred Stock are convertible and the Series A Conversion Price are subject to adjustment from time to time as provided in Section A.6 hereof. Upon the election to so convert in the manner and on the basis specified in this Section A.5(a), all holders of the Series A Preferred Stock shall be deemed to have elected voluntarily to convert all outstanding shares of Series A Preferred Stock pursuant to this Section A.5(a).

(b) Automatic Conversion Upon Qualified Public Offering. Each share of Series A Preferred Stock shall automatically be converted, without the payment of any additional consideration, into the number of shares of Common Stock and Redeemable Preferred Stock provided for in Section A.5(a) as of the date of, and in all cases subject to, the consummation of the Corporation's first underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, (i) where the aggregate net proceeds attributable to sales for the account of the Corporation in such public offering exceed \$25,000,000, (ii) where the price per share for which shares of Common Stock are sold in such public offering is not less than (aa) five (5) times the Series A Purchase Price as in effect on such date if the public offering is consummated on or prior to the fifth anniversary of the consummation of the B Round Financing or (bb) seven (7) times the Series A Purchase Price as in effect on such date if the public offering is consummated after such fifth anniversary, (iii) upon which all outstanding shares of Redeemable Preferred Stock are redeemed or, contemporaneously therewith, cash in an amount sufficient to redeem all outstanding shares of Redeemable Preferred Stock (including, without limitation, all such shares issued or to be issued upon such conversion of Series A Preferred Stock) is set aside for such purpose and arrangement reasonably satisfactory to the holders of a majority thereof is made to effect such redemption immediately thereafter, and (iv) after which Common Stock is listed on a U.S. national securities exchange or on the NASDAQ National Market system (such offering, a "Qualified Public Offering"); provided that if a Qualified Public Offering is consummated, all outstanding shares of Series A Preferred Stock shall be deemed to have been converted into shares of Common Stock and Redeemable Preferred Stock as provided in this Section A.5 immediately prior to such consummation.

(c) Procedure for Voluntary Conversion: Effective Date. Upon the election to convert the Series A Preferred Stock made in accordance with Section A.5(a), the holders of the Series A Preferred Stock making such election shall provide written notice of such conversion (the "Series A Voluntary Conversion Notice") to the Corporation and each other holder of Series A Preferred Stock that does not sign such notice. On the date the Series A Voluntary Conversion Notice is delivered to the Corporation, all outstanding shares of Series A Preferred Stock shall thereupon be converted, without further action, into the number of shares of Common Stock and Redeemable Preferred Stock provided for in Section A.5(a), and such number of shares of Common Stock and Redeemable Preferred Stock into which the Series A Preferred Stock is converted shall thereupon be deemed to have been issued to the holders of the Series A Preferred Stock. Such holders shall as soon as practicable thereafter surrender to the Corporation at the Corporation's principal executive office the certificate or certificates evidencing Series A Preferred Stock, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), or an Affidavit of Loss with respect thereto. Upon surrender of such certificates or delivery of an Affidavit of Loss with respect thereto, the Corporation shall issue and deliver to the holder so surrendering such certificates or to such holder's designee, at an address designated by such holder, certificates for the number of shares of Common Stock and number of shares of Redeemable Preferred Stock into which such holder's Series A Preferred Stock shall have been converted. The issuance of certificates for shares of Common Stock and Redeemable Preferred Stock upon conversion of Series A Preferred Stock will be made without charge to the holders of such shares for any issuance tax in respect thereof or other costs incurred by the Corporation in connection with such conversion and the related issuance of such stock. Notwithstanding anything to the contrary set forth in this Section A.5(c), in the event that the holders of shares of Series A Preferred Stock elect to convert such shares pursuant to Section A.5(a) in connection with any Liquidation Event or Public Offering (not including the Qualified Public Offering), (i) such conversion may at the election of such holders be conditioned upon the consummation of such Liquidation Event or Public Offering, in which case, such conversion shall not be deemed to be effective until the consummation of such Liquidation Event or Public Offering and (ii) if such Liquidation Event or Public Offering occurs, all outstanding shares of Series A Preferred Stock shall be deemed to have been converted into shares of Common Stock and Redeemable Preferred Stock immediately prior thereto, provided that the Corporation shall make appropriate provisions for the Common Stock issued upon such conversion to be treated on the same basis as all other Common Stock in such Liquidation Event or Public Offering.

(d) Procedure for Automatic Conversion. As of the date of, and in all cases subject to, the consummation of the Qualified Public Offering, all outstanding shares of Series A Preferred Stock shall be converted automatically, without further action, into the number of shares of Common Stock and Redeemable Preferred Stock provided for in Section A.5(a), and such number of shares of Common Stock and Redeemable Preferred Stock into which the Series A Preferred Stock is converted shall be deemed to have been issued to the holders of Series A Preferred Stock. Such holders shall as soon as practicable thereafter surrender the certificate or certificates evidencing the Series A Preferred Stock, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or an Affidavit of Loss with respect thereto. Upon surrender of such certificates or delivery of an Affidavit of Loss

reduced to an amount determined by dividing (a) the sum of (1) the product obtained by multiplying (i) the Conversion Price in effect immediately prior to such issue or sale times (ii) the number of shares of Common Stock Deemed Outstanding immediately prior to such issue or sale, plus (2) the consideration, if any, received (or deemed received) by the Corporation upon such issue or sale, by (b) the number of shares of Common Stock Deemed Outstanding immediately after such issue or sale.

(e) Effect of Certain Events on Conversion Price. For purposes of determining the adjusted Conversion Price under Section A.6(d), the following shall be applicable:

(i) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities, whether or not the right to exercise, convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Conversion Price in effect immediately prior to the time of such issue or sale, then the maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock is issuable" shall be determined by dividing (a) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the cumulative minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the exercise, conversion or exchange thereof and, if applicable, the exercise, conversion and exchange of any other Convertible Securities that such Convertible Securities may be converted into or exercised or exchanged for (in each case, as set forth in the instruments and agreements relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration), by (b) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of all such Convertible Securities (as set forth in the instruments and agreements relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number). No further adjustment of the Conversion Price shall be made when Common Stock and, if applicable, any other Convertible Securities are actually issued upon the exercise, conversion or exchange of such Convertible Securities.

(ii) Change in Exercise Price or Conversion Rate. If the additional consideration payable to the Corporation upon the exercise, conversion or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock should change at any time, the Conversion Price in effect at the time of such change shall be readjusted to the Conversion Price that would have been in effect at such time had such Convertible Securities that are still outstanding provided for such changed additional consideration or changed conversion rate, as the case may be, at the time such Convertible Securities were initially granted, issued or sold, and on the termination date of any right to exercise, convert or exchange such Convertible Securities without such right having been duly exercised, the Conversion Price then in effect hereunder shall be increased to the Conversion Price that would have been in effect at the time of such termination had such

Convertible Securities, to the extent outstanding immediately prior to such termination, shall have been issued.

(iii) Exceptions for Excluded Securities. Notwithstanding the foregoing, no adjustments shall be made under this Section A.6(e) with respect to the issuance of any Excluded Securities.

(iv) Valuation of Non-Cash Consideration. The consideration received by the Corporation for the issue of any shares of Common Stock, Convertible Securities or any other Convertible Securities that such Convertible Securities may be converted into or exercised or exchanged for shall be computed as follows:

(A) Insofar as such consideration consists of cash, such consideration shall equal the aggregate amount of cash received by the Corporation prior to amounts paid or payable for accrued interest or accrued dividends and prior to any commissions or expenses paid by the Corporation;

(B) Insofar as such consideration consists of property other than cash, such consideration shall be calculated at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(C) In the event shares of Common Stock, Convertible Securities or any other Convertible Securities that such Convertible Securities may be converted into or exercised or exchanged for are issued together with other securities or other assets of the Corporation for consideration that is allocable to both such Common Stock and Convertible Securities, and to such other securities and assets, the portion of such consideration allocable to such Common Stock or Convertible Securities shall be that set forth in the instruments and agreements in respect or entered into in connection with such transaction, and if no such allocation is so set forth, then the portion of such consideration allocable to such Common Stock or Convertible Securities, calculated as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors.

(f) No Impairment. The Corporation will not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, and will at all times in good faith assist in the carrying out of all the provisions of this Section A.6 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series A Preferred Stock against impairment.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section A.6, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is

based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of such holder's Series A Preferred Stock.

7. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock and Redeemable Preferred Stock, solely for the purpose of effecting the conversion of the shares of Series A Preferred Stock, such number of its shares of Common Stock and Redeemable Preferred Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock and Redeemable Preferred Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series A Preferred Stock, the Corporation shall take all such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock and Redeemable Preferred Stock to such number of shares as shall be sufficient for such purpose.

8. Valuation of Distribution Securities. Any securities or other consideration to be delivered to the holders of the Series A Preferred Stock or Redeemable Preferred Stock, in the case may be, upon any Liquidation Event in accordance with the terms hereof shall be valued as follows:

(i) If traded on a nationally recognized securities exchange or interdealer quotation system, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the 30-day period ending three (3) business days prior to the closing;

(ii) If traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the 30-day period ending three (3) business days prior to the closing; and

(iii) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of more than fifty percent (50%) of the combined voting power of the issued and outstanding shares of Series A Preferred Stock, or, in the case where Redeemable Preferred Stock is outstanding, the holders of more than fifty percent (50%) of the issued and outstanding shares of Redeemable Preferred Stock; provided that if the Corporation and the holders of such percentage of the combined voting power of the issued and outstanding shares of Series A Preferred Stock or of such percentage of the issued and outstanding Redeemable Preferred Stock, as the case may be, are unable to reach agreement, then by independent appraisal by an investment banker hired and paid by the Corporation, but reasonably acceptable to the holders of such percentage of the combined voting power of the issued and outstanding shares of Series A Preferred Stock or of such percentage of the issued and outstanding Redeemable Preferred Stock, as the case may be.

9. No Giving of Transfer Rights. The Corporation shall not close its books against the transfer of shares of Series A Preferred Stock in any manner that would interfere with the timely conversion of any shares of Series A Preferred Stock.

10. No Reissuance of Series A Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by means of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares that the Corporation shall be authorized to issue.

B. REDEEMABLE PREFERRED STOCK

1. Voting

Except as otherwise provided below and as required by law, the holders of Redeemable Preferred Stock shall have no voting rights with respect to shares of Redeemable Preferred Stock.

2. Dividends. (a) The holders of Redeemable Preferred Stock shall be entitled, in preference to the holders of any and all other classes of capital stock of the Corporation ranking junior in right to the Redeemable Preferred Stock, to receive on each share of Redeemable Preferred Stock, out of funds legally available therefor, cumulative cash dividends at the rate of 15% per annum on the sum of (i) the initial Series A Purchase Price, plus (ii) all of the unpaid Series A Dividends accrued on each share of Series A Preferred Stock as of the date such Redeemable Preferred Stock is issued (the per share sum of such amount and the amount set forth in clause (i) above, as such sum is adjusted from time to time to reflect stock splits, combinations, reorganizations, recapitalizations, readjustments and other similar events involving the Redeemable Preferred Stock, is referred to as the "Redeemable Purchase Price"). Such dividends will be calculated and compounded annually, in arrears on December 31 of each year in respect of the prior twelve month period, or portion thereof, (expressed on a daily basis for partial periods). Such dividends shall commence to accrue on each share of Redeemable Preferred Stock from the date of issuance thereof, whether or not declared by the Board of Directors and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and shall continue to accrue thereof until the Redeemable Liquidation Preference is paid in full in cash (such dividends being referred to as the "Redeemable Dividends"). Redeemable Dividends shall be due and payable with respect to any share of Redeemable Preferred Stock as provided in Sections B.3 and B.4. Redeemable Dividends paid in cash in an amount less than the total amount of such dividends at the time accumulated and payable on all outstanding shares of Redeemable Preferred Stock, shall be allocated pro rata on a share-by-share basis among all such shares at the time accumulating. At any time when shares of Redeemable Preferred Stock are outstanding and the Redeemable Dividends have not been paid in full in cash, (a) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior in right to the Redeemable Preferred Stock, and (b) the Corporation shall not, and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation ranking junior in right to the Redeemable Preferred Stock, any Conversion

Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof; provided, however, that the Corporation and its Subsidiaries may, without regard to this Section B.2(a), (i) effect transactions of the type described in Article IV, Sections A.6(a), (b) and (c) for which adjustments are made pursuant thereto and (ii) purchase, redeem or acquire shares of Common Stock and Convertible Securities issued to employees, officers or directors of, or consultants or other service providers to, the Corporation or its Subsidiaries pursuant to equity incentive plans or other arrangements approved by the Board of Directors.

(b) All numbers relating to the calculation of dividends pursuant to this Section B.2 shall be equitably adjusted to reflect any stock split, stock dividend, combination, reorganization, recapitalization, reclassification or other similar event involving a change in the Redeemable Preferred Stock.

3. Liquidation.

(a) Liquidation Preference. Upon any Liquidation Event, each holder of outstanding shares of Redeemable Preferred Stock shall be entitled to be paid with respect to each share of Redeemable Preferred Stock out of the assets of the Corporation available for distribution to stockholders, whether such assets are capital, surplus or earnings, and before any amount shall be paid or distributed to the holders of Common Stock or of any other stock ranking on liquidation junior to the Redeemable Preferred Stock, an amount in cash equal to the sum of (i) the Redeemable Purchase Price plus (ii) any accumulated but unpaid dividends to which such holder of outstanding shares of Redeemable Preferred Stock is then entitled pursuant to Sections B.2 and B.4(d), plus (iii) any interest accrued pursuant to Section B.4(e) (such sum being referred to as the "Redeemable Liquidation Preference"); provided, however, that if upon any Liquidation Event, the amounts payable with respect to the issued and outstanding Redeemable Preferred Stock are not paid in full, the amounts available for distribution shall be distributed ratably among the holders of Redeemable Preferred Stock in accordance with their relative holdings thereof.

(b) Consolidation, Merger, etc. Any reorganization of the Corporation required by any court or administrative body in order to comply with any provision of law shall be deemed to be a Liquidation Event unless the preferences, qualifications, limitations, restrictions and special or relative rights granted to or imposed upon the holders of Redeemable Preferred Stock are not adversely affected by such reorganization. A consolidation, merger, sale of the Corporation or reorganization shall not be deemed to be a Liquidation Event for the purposes of this Section B.3 if the holders of not less than a majority of the issued and outstanding Redeemable Preferred Stock waive in writing the provisions of this Section B.3.

(c) Holders of Redeemable Preferred Stock shall not be entitled to any additional distribution on account of their Redeemable Preferred Stock upon the occurrence of any Liquidation Event in excess of the Redeemable Preferred Liquidation Preference.

4. Redemption.

(a) Redemption Events.

(i) Holders' Election. Upon the earlier to occur of (i) consummation of a Qualified Public Offering or (ii) the election of the holder or holders of a majority of the issued and outstanding Redeemable Preferred Stock made at any time on or after (aa) June 10, 1999, if the Corporation shall not have theretofore consummated a B Round Financing, or (bb) if the Company shall have so consummated a B Round Financing, the fifth anniversary of the consummation of the B Round Financing, the Corporation shall redeem all (and not less than all, other than pursuant to Section B.4(c) below) of the outstanding shares of Redeemable Preferred Stock at the redemption price specified in Section B.4(b). The foregoing election shall be made by such holders delivering to the Corporation and each of the other holders of Redeemable Preferred Stock not less than thirty (30) days' prior written notice, which notice thereof shall set forth the date for such redemption that will not be less than thirty (30) days nor more than sixty (60) days from the date of such written notice.

(ii) Corporation's Election. The Corporation shall have the right at any time to redeem all (and not less than all) of the shares of Redeemable Preferred Stock outstanding at the redemption price specified in Section B.4(b) below. The Corporation shall exercise such right by delivering to each holder of Redeemable Preferred Stock not less than thirty (30) days prior to written notice thereof, which notice shall set forth the date for such redemption that will not be less than thirty (30) nor more than sixty (60) days from the date of such written notice.

(b) Redemption Date; Redemption Price. Upon the election of the holders of Redeemable Preferred Stock made in accordance with Section B.4(a)(i) to cause the Corporation to redeem the Redeemable Preferred Stock, all holders of Redeemable Preferred Stock shall be deemed to have elected to cause the Redeemable Preferred Stock to be so redeemed. Any date upon which a redemption is to occur as specified in a notice thereof in accordance with Section B.4(a)(i) or (ii) is referred to as a "Redemption Date". The redemption price for each share of Redeemable Preferred Stock redeemed pursuant to Section B.4 shall be the Redeemable Liquidation Preference as of the date such share of Redeemable Preferred Stock is redeemed in full in cash. Such redemption price shall be payable in cash in immediately available funds on the Redeemable Redemption Date. Until the full redemption price has been paid in cash for all shares of Redeemable Preferred Stock being redeemed, (A) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior in right to the Redeemable Preferred Stock, and (B) the Corporation shall not, and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation (other than the Redeemable Preferred Stock in accordance with this Section B.4), any Convertible Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof; provided, however, that the Corporation and its Subsidiaries may, without regard to this Section B.4(b), (i) effect transactions of the type described in Article IV, Sections A.6(a), (b) and (c) for which adjustments are made

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pursuant thereto and (ii) purchase, redeem or acquire shares of Common Stock and Convertible Securities issued to employees, officers or directors of, or consultants or other service providers to, the Corporation or its Subsidiaries pursuant to equity incentive plans or other arrangements approved by the Board of Directors.

(c) Redemption Prohibited. If, at a Redeemable Preferred Redemption Date, the Corporation is prohibited under the DGCL or other applicable law from redeeming all shares of Redeemable Preferred Stock for which redemption is required hereunder, then it shall redeem such shares on a pro rata basis among the holders of Redeemable Preferred Stock in proportion to the full respective redemption amounts to which they are entitled hereunder to the extent the Corporation is not so legally prohibited from doing so and shall redeem the remaining shares to be redeemed as soon as the Corporation is not legally prohibited from redeeming some or all of such shares. Any shares of Redeemable Preferred Stock not redeemed shall remain outstanding and entitled to all of the rights and preferences provided in this Article IV. In the event that the Corporation fails to redeem shares for which redemption is required pursuant to this Section B.4(a)(i), then during the period from the applicable Redeemable Redemption Date through the date on which such shares are redeemed, the applicable redemption price of such shares plus additional dividends that accumulate in respect of such shares under Section B.4(d) shall bear interest at the rate of 15% per annum, which interest rate shall increase by an additional .5% per annum at the end of each six (6) month period thereafter until the Redeemable Preferred Redemption Price (as so increased) is paid in full, subject to a maximum rate of 20% per annum and with such interest to be compounded annually. Without limitation of the foregoing, the Corporation shall take such action as shall be necessary or appropriate to remove promptly any impediments to its ability to redeem Redeemable Preferred Stock under the circumstances contemplated by this Section B.4. Any successor to the Corporation shall agree, as a condition to such succession, to carry out and observe the obligations of the Corporation hereunder with respect to the Redeemable Preferred Stock.

(d) Dividend After Convertible Preferred Redemption Date. From and after a Redeemable Redemption Date, no shares of Redeemable Preferred Stock subject to redemption shall be entitled to dividends as provided in Section B.2; provided, however, that in the event that shares of Redeemable Preferred Stock are not for any reason redeemed and continue to be outstanding after the Redeemable Redemption Date, such shares shall continue to be entitled to dividends as provided in Section B.2 and interest as provided in Section B.4(c) until the date on which such shares are actually redeemed by the Corporation in full cash.

(e) Surrender of Certificates. Upon receipt of the applicable redemption price therefor, each holder of shares of Redeemable Preferred Stock so redeemed shall surrender the certificate or certificates representing such shares so redeemed to the Corporation, duly assigned or endorsed for transfer (or accompanied by duly executed stock powers relating thereto), or shall deliver an Affidavit of Loss with respect to such certificates at the principal executive office of the Corporation or the office of the transfer agent for the Redeemable Preferred Stock or such office or offices in the continental United States of an agent for redemption as may from time to time be designated by notice to the holders of Redeemable Preferred Stock, and each surrendered certificate shall be canceled and retired.

3. Prohibition of Issuance. The Corporation shall not issue any shares of Redeemable Preferred Stock except upon the conversion of shares of Series A Preferred Stock in accordance with Section A.5.

C. SERIES B PREFERRED STOCK

Shares of Series B Preferred Stock may be issued from time to time as determined by the Board of Directors. The Board of Directors is hereby authorized to designate each series, to establish the number of shares to be included in each series and to determine or alter the rights, preferences, privileges, and restrictions granted to or imposed upon any wholly unissued series of Series B Preferred Stock and, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any such additional series, to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such additional series subsequent to the issue of shares of that series. Authorized and unissued shares of Series B Preferred Stock may be issued with such designations, voting powers, preferences, and relative participating, conversion, option or other special rights, and qualifications, limitations and restrictions on such rights, as the Board of Directors may authorize by resolutions duly adopted prior to the issuance of any shares of series of Series B Preferred Stock, including, but not limited to: (i) the distinctive designation of each series and the number of shares that will constitute such series; (ii) the voting rights, if any, of shares of such series and whether the shares of any such series having voting rights shall have multiple or fractional votes per share; (iii) the dividend rate on the shares of such series, any restriction, limitation, or condition upon the payment of such dividends, whether dividends shall be cumulative, and the dates on which dividends are payable; (iv) the prices at which, and the terms and conditions on which, the shares of such series may be redeemed, if such shares are redeemable; (v) the purchase or sinking fund provisions, if any, for the purchase or redemption of shares of such series; (vi) any preferential amount payable upon shares of such series in the event of the liquidation, dissolution, or winding-up of the Corporation, or the distribution of its assets; and (vii) the prices or rates of conversion at which, the terms and conditions on which, the shares are convertible. Any and all shares of Series B Preferred Stock issued and for which full consideration has been paid or delivered shall be deemed fully paid stock, and the holder thereof shall not be liable for any further payment thereon.

D. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of Convertible Preferred Stock and Redeemable Preferred Stock as specified herein.

2. Voting. Each holder of the Common Stock is entitled to one vote for each share thereof held by such holder at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting.

3. Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding shares of Series A Preferred Stock.

Redeemable Preferred Stock, Series B Preferred Stock and any other class of the Company's capital stock that may hereafter be authorized and issued having preferred dividend rights senior to the rights of holders of Common Stock.

4. Liquidation. Upon the occurrence of a Liquidation Event, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to the rights and preferences of any then outstanding shares of Series A Preferred Stock, Redeemable Preferred Stock, Series B Preferred Stock and any other class of the Company's capital stock that may hereafter be authorized and issued having preferred rights upon the occurrence of a Liquidation Event senior to the rights of holders of Common Stock.

E. PROVISIONS OF GENERAL APPLICABILITY

1. Rank. The Series A Preferred Stock or Redeemable Preferred Stock, whichever may be outstanding at the time of measurement, ranks senior in right as to dividends, upon the occurrence of a Liquidation Event and in all other respects to all Common Stock. Shares of Series B Preferred Stock, of any series, shall rank with respect to Series A Preferred Stock, Redeemable Preferred Stock and Common Stock as set forth in the certificate of designation filed with the Secretary of State of Delaware establishing such series of Series B Preferred Stock.

2. Notice.

(a) Liquidation Events, Extraordinary Transactions, Etc. In the event the Corporation establishes a record date to determine the holders of any class of securities who are entitled to receive any dividend or other distribution or who are entitled to vote at a meeting (or by written consent) in connection with a Liquidation Event, Sale of the Corporation or Public Offering, or if the Corporation enters into any agreement with respect to a Liquidation Event, Sale of the Corporation or Public Offering, the Corporation shall mail or cause to be mailed by first class mail (postage prepaid) to each holder of Convertible Preferred Stock (or each holder of Redeemable Preferred Stock, as applicable) at least thirty (30) days prior to such record date specified therein or the expected effective date of any such transaction, a notice specifying (A) the date of such record date for the purpose of such dividend or distribution or meeting or consent and a description of such dividend or distribution or the action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Sale of the Corporation or Public Offering is expected to become effective, if known, and, in the case of a Sale of the Corporation, the identity of the parties thereto, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event.

(b) Waiver of Notice. The holder or holders of a majority of the combined voting power of the outstanding shares of any class of the Corporation's Capital Securities may, at any time upon written notice to the Corporation, waive, either prospectively or retrospectively, any notice provisions specified herein for the benefit of all of the holders of such class.

(c) General. In the event that the Corporation provides any notice, report or statement to any holder of Common Stock, the Corporation shall at the same time provide a copy

of any such notice, report or statement to each holder of outstanding shares of all other classes of the Corporation's issued and outstanding Capital Securities.

3. **Interpretation.** All references to "Sections" contained herein, unless otherwise specified, are references to Sections of this Article IV. The words "herein", "hereof" and the like refer to the entirety of this Certificate of Incorporation and not to any specific section.

ARTICLE V

PERPETUAL EXISTENCE

The Corporation is to have perpetual existence.

ARTICLE VI

LIMITATION OF LIABILITY

To the fullest extent permitted by the DGCL, Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Second Amended and Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Any repeal or modification of this Article VI by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or exemption existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a person serving as a Director at the time of such repeal or modification.

ARTICLE VII

AMENDMENT OF BY-LAWS

Amendment by Directors. Except as otherwise provided by law, the by-laws of the Corporation may be amended or repealed by the Board of Directors.

ARTICLE VIII

DEFINITIONS

The following terms are used herein with the meanings indicated:

"Affidavit of Loss" has the meaning specified in Article IV, Section A.4(c).

"Affiliate or affiliate" means with respect to any Person, any other Person that would be considered to be an affiliate of such Person under Rule 144(a) of the rules of regulations of the Securities and Exchange Commission, as in effect on the date hereof.

"B Round Financing" means an equity financing of the Corporation on terms and conditions approved by the holders of a majority of the issued and outstanding Series A Preferred Stock, the occurrence of which shall be specified either in an amendment to this certificate of incorporation or in any certificate of designation filed with the Delaware Secretary of State establishing the series of the Corporation's Capital Securities to be issued in connection with such transaction.

"Capital Securities" means, as to any Person that is a corporation, the authorized shares of such Person's capital stock, including all classes of common, preferred, voting and non voting capital stock, and, as to any Person that is not a corporation or an individual, the ownership interests in such Person, including, without limitation, the right to share in profits and losses, the right to receive distributions of cash and property, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from such Person, whether or not such interests include voting or similar rights entitling the holder thereof to exercise control over such Person.

"Common Stock Deemed Outstanding" means, at any given time, the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock, plus the number of shares of Common Stock issuable upon the exercise in full of all Convertible Securities whether or not such Convertible Securities are convertible into Common Stock at such time.

"Conversion Price" has the meaning set forth in Article IV, Section A.3(a).

"Convertible Securities" means securities or obligations that are convertible for convertible into or exchangeable for shares of Common Stock. The term includes options, warrants or other rights to subscribe for or purchase Common Stock or to subscribe for or purchase other securities or obligations that are convertible into or exchangeable for Common Stock.

"DGCL" means the General Corporation Law of the State of Delaware.

"Excluded Securities" means (i) Capital Securities sold by the Corporation in a Qualified Public Offering, (ii) Convertible Securities issued to employees or Directors of, or consultants or other service providers to, the Corporation that are options to purchase shares of Common Stock pursuant to any incentive stock plan or other form of incentive compensation plan approved by the Corporation's Board of Directors, and the issuance of Common Stock upon the exercise of any such options, (iii) shares of Common Stock issuable upon the conversion of Series A Preferred Stock and the conversion, if any, of any Capital Securities of the Corporation issued in a B Round Financing (although any Capital Securities of the Corporation issued in a B

Round Financing shall not be Excluded Securities), (iv) shares of the Corporation's Capital Securities issued in connection with a stock split, stock dividend, combination, reorganization, recapitalization or other similar event for which adjustment is made in accordance with Article IV, Section E.6(a) through (c), (v) Capital Securities issued to Persons who are not Affiliates of the Company in consideration of the acquisition of one or more business enterprises by the Company and (vi) Capital Securities issued to banks, equipment lessors or vendors which are not Affiliates of the Company as partial consideration for long term debt or lease financing to the Company.

"Fully Diluted Basis" means at any time the sum of (x) the number of issued and outstanding shares of Common Stock, whether or not vested, plus (y) the total number of shares of Common Stock issuable upon the exercise or conversion of all Convertible Securities issued and outstanding at such time.

"Liquidation Event" has the meaning specified in Article IV, Section A.3(a) and (b).

"Person" or "person" means an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof.

"Public Offering" means any offering by the Corporation of its equity securities to the public pursuant to an effective registration statement under the Securities Act of 1933 or any comparable statement under any similar federal statute then in force, other than an offering of shares being issued as consideration in a business acquisition or combination or an offering in connection with an employee benefit plan.

"Qualified Public Offering" has the meaning specified in Article IV, Section A.5(b).

"Redeemable Dividends" has the meaning specified in Article IV, Section B.2(a).

"Redeemable Purchase Price" has the meaning specified in Article IV, Section B.2(a).

"Redeemable Redemption Date" has the meaning specified in Article IV, Section B.4(b).

"Sale of the Corporation" means (a) a merger or consolidation of the Corporation into or with any other Person or Persons who are not affiliates of the Corporation or (b) a single transaction or a series of transactions pursuant to which a Person or Persons who are not affiliates of the Corporation acquire either of the following: (i) capital stock of the Corporation possessing the voting power to elect a majority of the Corporation's board of directors (whether by merger, consolidation or sale or transfer of the Corporation's capital stock, provided, however, that a Qualified Public Offering that results in an acquisition of such voting power shall not be a "Sale of the Corporation"); or (ii) all or substantially all of the Corporation's assets determined on a consolidated basis.

"Series A Director Designee" has the meaning specified in Article IV, Section A.1(a).

"Series A Dividends" has the meaning specified in Article IV, Section A.2(a).

"Series A Liquidation Preference" has the meaning specified in Article IV, Section A.3(a).

"Series A Preferred Stock" has the meaning specified in Article IV (introductory paragraph).

"Series A Preferred Stock Purchase Price" shall have the meaning specified in Article IV, Section A.5(a).

"Series A Purchase Price" has the meaning specified in Article IV, Section A.2(a).

"Series A Redemption Date" shall have the meaning specified in Article IV, Section A.4(b).

"Series A Voluntary Conversion Notice" has the meaning specified in Article IV, Section A.5(c).

"Subsidiary"/"Subsidiaries" means any corporation, partnership, limited liability company, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the Corporation or one or more of the other Subsidiaries of the Corporation or a combination thereof, or (ii) if a partnership, limited liability company, association or other business entity, a majority of the ownership interests therein is at the time owned or controlled, directly or indirectly, by the Corporation or one or more Subsidiaries of that person or a combination thereof. For purposes hereof, the Corporation shall be deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if the Corporation shall be allocated a majority of partnership, association or other business entity gains or losses or shall be or control the managing general partner of such partnership, association or other business entity or a manager of such limited liability company.

"Voting Stock" has the meaning specified in Article IV, Section A.4(a).

I, THE UNDERSIGNED, being the President of the Corporation, hereby declare and certify that this is my act and deed and the facts herein stated are true and, accordingly, I have executed this Amended and Restated Certificate of Incorporation on the 27th day of July, 1998.


Clifford G. Ratcliff, President

I, THE UNDERSIGNED, being the President of the Corporation, hereby declare and certify that this is my act and deed and the facts herein stated are true and, accordingly, I have executed this Amended and Restated Certificate of Incorporation on the 22nd day of July, 1968.

C. G. Radtke
Clifford G. Radtke, President

EXHIBIT C - BIOGRAPHIES OF THE MANAGEMENT TEAM

KEY PERSONNEL

Advanced TelCom Group, Inc. (ATG)

PRINCIPALS

CLIFFORD G. RUDOLPH, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Twenty-five years experience as an entrepreneur and senior executive in both the telecommunications and computer industry. Operating experience includes both regulated and unregulated products and services; corporate and line functions including: marketing, business development, acquisitions/mergers, sales, customer service, field engineering/operations and financial management. Most recently served as President for Brooks Fiber Properties Eastern and Western Divisions. Other executive level positions held at USWest Communications, David Systems, Inc. and the Arndahl Corporation. Masters in Business Administration, Pepperdine University.

ROBERT T. WARSTLER, PRESIDENT AND CHIEF OPERATING OFFICER

Twenty-five plus years experience in the telecommunications and computer industries. Operating experience includes both regulated and unregulated products and services; corporate and line functions including marketing, sales, strategic planning, customer service, business development, field engineering/operations and financial management. Most recently served as Senior Vice President for Network Equipment Technologies. Other executive level positions held at Hitachi Data Systems, U.S. West, Northern Telecom, AT&T and IBM. Bachelor of Arts, Valparaiso University.

MICHAEL R. BLACK, SR. VICE PRESIDENT SALES & FIELD OPERATIONS

Twenty-five plus years experience in the telecommunications industry. Operating experience includes both regulated and unregulated products and services; major and strategic accounts marketing/sales, customer service and field operations. Most recently served as Regional Vice President, Brooks Fiber Properties. Other executive level positions held at Ameritech and USWEST. Masters in Business Administration, Colorado State University.

CURTIS E. WHEELING, SR. VICE PRESIDENT MARKETING

Twenty-five plus years experience in the telecommunications and computer industry. Operating experience includes both regulated and unregulated products and services; corporate and line functions including: marketing, business development, acquisitions/mergers, sales and customer support. Most recently served as Regional Vice President and Vice President Business and Market Development, Brooks Fiber Properties. Other executive level positions held at Hitachi Data Systems and David Systems. Bachelor of Science Electrical Engineering, Montana State University.

THOMAS A. GRINA, SR. VICE PRESIDENT & CHIEF FINANCIAL OFFICER

Fourteen years of experience in a variety of telecommunications companies. Experienced in areas of operations, finance and mergers/acquisitions for companies in the wireless and fixed telephony industries. Most recently was Executive Vice President and Chief Financial Officer for Advanced Radio Telecom. Prior positions include Executive Vice President and Chief Financial Officer at Dial Page, Inc. and Vice President of Finance at an affiliate of Daniels & Associates.

KATHARINE S. KLEIN, SR. VICE PRESIDENT - MERGERS AND ACQUISITIONS

Twenty plus years of experience in investment banking and principal investments. Extensive experience advising major corporations on a wide range of domestic and international financial transactions including mergers and acquisitions and public and private financings. In this capacity was Managing Director, Investment Banking at Lehman Brothers Inc. in New York and London. As Managing Director, Communications Finance at General Electric Capital Corporation served as a principal investor and lender to early-stage telecommunications companies. Bachelor of the Arts from Harvard University and Master of Business Administration from The University of Chicago

KATHRYN L. THOMAS, VICE PRESIDENT-REGULATORY & PUBLIC POLICY

Nineteen plus years experience in the regulated utility industry. Operating experience includes utility companies, consulting and various senior staff positions at state regulatory commissions. Most recently served as Director of Government and Regulatory Affairs-Western Division, Brooks Fiber Properties. Other positions held at Washington State Utilities and Transportation Commission, Northeast Utilities, Potomac Electric Power Company, Exeter Associates and the Bendix Corporation. Bachelor of Business Administration, University of Washington.

CHARLES C. SEEFLOTH, VICE PRESIDENT-FIELD OPERATIONS

Twenty-seven years plus experience in the telecommunications industry. Operating experience primarily regulated services; corporate and line functions, including construction and maintenance organizations, network engineering teams, field engineering/operations and various technical staff positions. Most recently served as Director of Operations, responsible for the implementation of new market transport and switched services networks for Brooks Fiber Properties Western Division. Other positions in staff and network engineering and planning held with Pacific Bell and MCI/WorldCom.

EXHIBIT D - FINANCIAL STATEMENTS

EXHIBIT E - PROPOSED TARIFF

ADVANCED TELCOM GROUP, INC.
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

South Dakota Tariff Number 1
Original Page 1

**RULES, REGULATIONS, AND
SCHEDULE OF RATES AND CHARGES
APPLICABLE TO END USERS**

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

**FURNISHED BY
ADVANCED TELCOM GROUP, INC.
WITHIN THE STATE OF SOUTH DAKOTA**

Issued:
Issued by:

Clifford G. Rudolph, CEO
Advanced TelCom Group, Inc.
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

Effective:

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CHECK SHEET

The Title Page and pages listed below are inclusive and effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date shown on each page.

Page Number	Revision	Page Number	Revision	Page Number	Revision	Page Number	Revision	Page Number	Revision
1	Original	31	Original	61	Original	74	Original	87	Original
2	Original	32	Original	62	Original	75	Original	88	Original
3	Original	33	Original	63	Original	76	Original	89	Original
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5	Original	35	Original	65	Original	78	Original	91	Original
6	Original	36	Original	66	Original	79	Original	92	Original
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8	Original	38	Original	68	Original	81	Original	94	Original
9	Original	39	Original	69	Original	82	Original	95	Original
10	Original	40	Original	70	Original	83	Original	96	Original
11	Original	41	Original	71	Original	84	Original		
12	Original	42	Original	72	Original	85	Original		
13	Original	43	Original	73	Original	86	Original		

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EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- (C) To signify changed regulation.
- (D) To signify discontinued rate and regulation.
- (I) To signify increased rate.
- (M) To signify a move in the location of text.
- (N) To signify new rate or regulation.
- (R) To signify reduced rate.
- (S) To signify reissued matter.
- (T) To signify a change in text but no change in rate or regulation.

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ADVANCED TELCOM GROUP, INC.
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

South Dakota Tariff Number 1
Original Page 5

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the local exchange telecommunications services provided by Advanced TelCom Group, Inc. to customers within the state of South Dakota.

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SECTION 1.0 - DEFINITIONS

For the purpose of this tariff, the following definitions will apply:

Access Line - An arrangement which connects the Customer's location to a switching center or point of presence.

Account Codes - Optional, Customer-defined digits that allow the Customer to identify the individual user, department or client associated with a call. Account Codes appear on the Customer bill.

Advance Payment - Part or all of a payment required before the start of service.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company's service.

Business - A class of service provided to individuals engaged in business, firms, partnerships, corporations, agencies, shops, works, tenants of office buildings, and individuals practicing a profession or operating a business who have no offices other than their residences and where the use of the service is primarily or substantially of a business, professional or occupational nature.

Commission - South Dakota Public Utilities Commission.

Company or Carrier - Advanced TelCom Group, Inc., unless otherwise clearly indicated by the context.

Customer - The person, firm, corporation or other entity which orders, cancels, amends or uses service and is responsible for payment of charges and compliance with the Company's tariff.

Deposit - Refers to a cash or equivalent of cash security held as a guarantee for payment of the charges.

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DID Trunk - A form of local switched access that provides the ability for an outside party to call an internal extension directly without the intervention of the Company operator.

Dial Pulse (or "DP") - The pulse type employed by rotary dial station sets.

Dual Tone Multi-Frequency (or "DTMF") - The pulse type employed by tone dial station sets.

End User - Any person, firm, corporation, partnership or other entity which uses the services of the Company under the provisions and regulations of this tariff. The End User is responsible for payment unless the charges for the services utilized are accepted and paid for by another Customer.

End Office - With respect to each NPA-NXX code prefix assigned to the Company, the location of the Company's "end office" for purposes of this tariff shall be the point of interconnection associated with that NPA-NXX code in the Local Exchange Routing Guide ("LERG"), issued by Bellcore.

Hearing Impaired - Those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.

Hunting - Routes a call to an idle station line in a prearranged group when the called station line is busy.

In-Only - A service attribute that restricts outward dial access and routes incoming calls to a designated answer point.

IXC or Interexchange Carrier - A long distance telecommunications services provider.

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LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgement entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

LEC - Local Exchange Company

Minimum Point of Presence ("MFOP") - The main telephone closet in the Customer's building.

Monthly Recurring Charges - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Multi-Frequency or ("MF") - An inter-machine pulse type used for signaling between telephone switches, or between telephone switches and PBX/key systems.

Non-Recurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish service.

Other Telephone Company - An Exchange Telephone Company, other than the Company.

PBX - Private Branch Exchange

Premises - A building or buildings on contiguous property.

Recurring Charges - The monthly charges to the Customer for services, facilities and equipment which continue for the agreed upon duration of the service.

Residence or Residential - A class of service furnished to a Customer at a place of dwelling where the actual or obvious use is for domestic purposes.

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Service commencement Date - The first day following the date on which the Company notifies the Customer that the requested service is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order of this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Service Order - The written request for services executed by the Customer and the Company in the format devised by the Company. The signing of a Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Telephone Company - Used throughout this tariff to mean Advanced TelCom Group, Inc. unless clearly indicated otherwise by the text.

TBD - To Be Determined.

Two Way - A service attribute that includes outward dial capabilities for outbound calls and can also be used to carry inbound calls to a central point for further processing.

Usage Based Charges - Charges for minutes or messages traversing over local exchange facilities.

User or End User - A Customer, Joint User, or any other person authorized by a Customer to use service provider under this tariff.

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SECTION 2.0 - RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission originating from points within the State of South Dakota, and terminating within a local calling area as defined herein.

The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

2.1.2 Shortage of Equipment or Facilities

- (A) The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- (B) The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

- (A) Service is provided on the basis of a minimum period of at least six months, 24 hours per day. For the purpose of computing charges in this tariff, a month is considered to have thirty (30) days.
- (B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- (C) Except as otherwise stated in the tariff, at the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon thirty (30) days written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- (D) Service may be terminated upon written notice to the Customer if:
 - (1) the Customer is using the service in violation of this tariff; or
 - (2) the Customer is using the service in violation of the law.
- (E) This tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for its choice of laws provision.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (cont'd.)

- (F) Any Other Telephone Company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- (G) To the extent that either the Company or any Other Telephone Company exercises control over available cable pairs, conduit, duct space, raceways or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other terms equivalent to those under which the Company makes similar facilities under its control available to its Customers. At the reasonable request of either party, the Company and the Other Telephone Company shall jointly attempt to obtain from the owner of the property access for the other party to serve a person or entity.
- (H) The Company hereby reserves its rights to establish service packages specific to a particular Customer. These contracts may or may not be associated with volume and/or term discounts.

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SECTION 2.0. RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

- (A) Except as otherwise stated in this section, the liability of Carrier for damage arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services shall be determined by South Dakota Statute Sections 49-13-1 and 49-13-1.1.
- (B) Except for the extension of allowances to the Customer for interruptions in service in Section 2.7, Carrier shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, including but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service except as determined pursuant to SDCL 49-13-1 and 49-13-1.1.
- (C) The liability of Carrier for errors in billing that result in overpayment by the customer shall be limited to a credit equal to the dollar amount erroneously billed, or in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company. (Cont'd.)

2.1.4 Limitations on Liability (Cont'd.)

- (D) The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to:
- (1) Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company, or (c) common carriers or warehousemen, except as contracted by the Company;
 - (2) Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; natural emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 - (3) Any unlawful or unauthorized use of the Company's facilities and services;
 - (4) Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the material transmitted by means of Company-provided facilities or services, or by means of the combination of company-provided facilities or services;
 - (5) Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company. (Cont'd.)

2.1.4 Limitations on Liability (Cont'd.)

(D) (cont'd)

- (6) Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph (A) of this Subsection 2.1.4.
- (7) Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof.
- (8) Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to Carrier's facilities.
- (9) Any noncompletion of calls due to network busy conditions.
- (10) Any calls not actually attempted to be completed during any period that service is unavailable.
- (11) Breach in the privacy or security of communications transmitted over Carrier's facilities.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability (Cont'd.)

- (E) The Company does not guarantee nor make any warranty with respect to installations provided by its for use in an explosive atmosphere.
- (F) Failure by the Company to assert its rights pursuant to one provision of this tariff does not preclude the Company from asserting its rights under other provisions.
- (G) CARRIER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities

- (A) The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not nor may the Customer permit others to rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- (B) The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided by the Customer.
- (C) Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the equipment is provided.
- (D) Except as otherwise indicated, Customer provided station equipment at the Customer's premises for use in connection with the service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
- (E) The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - (1) the through transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
 - (2) the reception of signals by Customer provided equipment; or
 - (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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SECTION 2.0 - RULES AND REGULATIONS (CONTD)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction or facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is construction undertaken

- (A) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- (B) of a type other than that which the Company would normally utilize in the furnishing of its services;
- (C) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (D) in a quantity greater than that which the company would normally construct;
- (E) on an expedited basis;
- (F) on a temporary basis until permanent facilities are available;
- (G) involving abnormal costs; or
- (H) in advance of its normal construction.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.1 Undertaking of the Company. (Cont'd.)

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its partners, agents, contractors or suppliers.

2.2 Prohibited Uses

- 2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the South Dakota Public Utilities Commission's regulations, policies, orders, and decisions.
- 2.2.3 The Company may block any signals being transmitted over its Network by Customers which cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgement or liability resulting from such blockage.
- 2.2.4 A Customer, joint user, or authorized user may not assign or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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SECTION 2.0. RULES AND REGULATIONS (CONTD)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- (A) the payment of all applicable charges pursuant to this tariff.
- (B) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- (C) providing at no charge, as specified from time to time by the Company, any needed equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- (D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Communications Services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 2.3.1(C). Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company provided facilities, shall be borne entirely by, or may be charged by the Company, to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.3 Obligations of the Customer

2.3.1 General (cont'd.)

- (E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work;
- (F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in an Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(D); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (G) not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and
- (H) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.3 Obligations of the Customer (Cont'd.)

2.3.2 Liability of the Customer

- (A) Carrier shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Carrier or Customer equipment or facilities or service provided by Carrier.
- (B) Carrier does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. Carrier shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.
- (C) Notwithstanding any other provision of this tariff and pursuant to S.D. Codified Laws SS 49-13-1 and 49-13-1.1, any person claiming to be damaged by Carrier may either make complaint to the Commission or may bring suit on his own behalf for the recovery of damages in any court of competent jurisdiction in South Dakota, but no person may pursue both remedies at the same time.

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SECTION 2.0 - RULES AND REGULATIONS (CONTD)

2.4 Customer Equipment and Channels

2.4.1 General

A user may transmit or receive information or signals via the facilities of the Company. The Company's services are designated primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A user may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- (A) Terminal equipment of the user's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the user. The user is responsible for the provision of wiring or cable to connect its terminal equipment to the Company MPOP.
- (B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.4 Customer Equipment and Channels (Cont'd.)

2.4.3 Interconnection of Facilities

- (A) Local Traffic Exchange provides the ability for another local exchange provider to terminate local traffic on the Company's network. In order to qualify for Local Traffic Exchange the call must: (a) be originated by an end user of a company that is authorized by the South Dakota Public Utilities Commission to provide local exchange service; (b) originate and terminate within a local calling area of the Company.
- (B) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- (C) Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.
- (D) Facilities furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all user-provided wiring shall be installed and maintained in compliance with those regulations.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.4 Customer Equipment and Channels (Cont'd.)

2.4.4 Inspections

- (A) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2(B) for the installation, operation and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- (B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.
- (C) If harm to the Company's network, personnel or services is imminent, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.5 Customer Deposits and Advance Payments

2.5.1 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished, where special construction is involved. The advance payment will not exceed an amount equal to the non-recurring charge(s) and one (1) month's charges for the service or facilities. In addition, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.5 Customer Deposits and Advance Payments (Cont'd.)

2.5.2 Deposits

- (A) To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with South Dakota Public Utilities Commission Rules. A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to two and one-half twelfths of the estimated charge for the service for the ensuing twelve months. A deposit may be required in addition to an advance payment.
- (B) Upon discontinuance of service, the Company shall promptly and automatically refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.
- (C) Deposits will accrue interest annually at the legal rate in accordance with South Dakota Public Utilities Commission Rules.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.6 Payment Arrangements

2.6.1 Payment for Services

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

The Customer is responsible for the payment of federal excise taxes, state and local sales and use taxes and similar taxes imposed by governmental jurisdictions, all of which shall be separately designated on the Company's invoices. The Company will not separately charge for the South Dakota gross receipts tax on the Company's invoice for local services. Any taxes imposed by a local jurisdiction (e.g. county and municipal) will only be recovered from those Customers residing in the affected jurisdictions.

Certain telecommunications services, as defined in the South Dakota Revised Code, are subject to state sales tax at the prevailing tax rates, if the services originate, or terminate in South Dakota, or both, and are charged to a subscriber's telephone number or account in South Dakota.

2.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- (A) Non-recurring charges are due and payable within thirty (30) days after the date the invoice is mailed to the Customer by the Company.
- (B) The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable within thirty (30) days after the date the invoice is mailed to the Customer by the Company. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.
- (C) When service does not begin on the first day of the month, or end of the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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SECTION 2.0 - RULES AND REGULATIONS (CONTD)

2.6 Payment Arrangements (Cont'd.)

2.6.2 Billing and Collection of Charges (Cont'd.)

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is not received by the Company within 30 days of receipt of this bill, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment charge of 1.5% per month shall be due to the Company. A late payment charge is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied. Late payment charges are to be applied without discrimination.
- (F) the Customer should notify the Company of any disputed items on an invoice within one hundred eighty (180) days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the South Dakota Public Utilities Commission in accordance with the Commission's rules and procedure. The address of the Company and the Commission is as follows:

Advanced TelCom Group, Inc.	South Dakota PUC
100 Rowland Way, Suite 145	State Capitol Building
Novato, California 94945	500 East Capitol Ave.
800-685-8486	Pierre, South Dakota 57501
	800-332-1782
- (G) If service is disconnected by the Company (in accordance with Section 2.6.3 following) and later re-installed, re-installation of service will be subject to all applicable installation charges. If service is suspended by the Company (in accordance with Section 2.6.3 following) and later restored, restoration of service will be subject to the rates in Section 8.6.2.

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SECTION 2.0 - RULES AND REGULATIONS (CONT'D)

2.6 Payment Arrangements (Cont'd.)

2.6.3 Discontinuance of Service for Cause

The Company may discontinue service for the following reasons provided in this Section 2.6.3. Customers will be provided five (5) days written notice prior to discontinuance unless otherwise indicated.

Upon the Company's discontinuance of service to the Customer under Section 2.6.3(A) or 2.6.3(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

- (A) Upon nonpayment of any amounts owing to the Company, the Company may discontinue or suspend service without incurring any liability. No basic residential service shall be disconnected for nonpayment until at least 24 days from the date of the bill and only following proper written notification.
- (B) Upon violation of any of the other material terms or conditions for furnishing service the Company may discontinue or suspend service without incurring any liability if such violation continues during that period.
- (C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- (D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- (E) Upon any governmental prohibition or governmental required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.6 Payment Arrangements, (Continued)

2.6.3 Discontinuance of Service for Cause

- (F) Without notice in the event of fraudulent use of the Company's network. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.
- (G) Without notice in the event of Customer use of equipment or services in such a manner as to adversely affect the Company's service to others.
- (H) Without notice in the event of tampering with the equipment or services furnished by the Company.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.6 Payment Arrangements, (Continued)

2.6.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide the Company thirty (30) days notice of desire to terminate service. If special construction is involved, the required notice shall be written.

2.6.5 Cancellation of Application for Service

- (A) Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- (B) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- (C) Where the Company incurs any expense in connection with special construction or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, may apply. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- (D) The special charges described in 2.6.5(A) through 2.6.5(C) will be calculated and applied on a case-by-case basis.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.6 Payment Arrangements, (Continued)

2.6.6 Changes in Services Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.6.7 Bad Check Charge

A service charge of \$20.00 will be assessed in accordance with South Dakota law for all checks returned by a bank or other financial institution for: insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

2.7 Allowances for Interruptions in Service

2.7.1 General

- (A) A credit allowance will be given when service is interrupted, except as specified in Section 2.7.2 following. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.
- (B) An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.7 Allowances for Interruptions in Service, (Continued)

2.7.1 General (Continued)

- (C) If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.
- (D) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2.7.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

- (A) Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;
- (B) Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- (C) Due to circumstances or causes beyond the reasonable control of the Company;
- (D) During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.7 Allowances for Interruptions in Service, (Continued)

2.7.2 Limitations of Allowances

- (E) A service will not be deemed to be interrupted if a Customer continues voluntarily make use of the service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.7.3), or utilize another service provider.
- (F) During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements.
- (G) That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction.

2.7.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.7 Allowances for Interruption in Service. (Continued)

2.7.4 Application of Credits for Interruptions in Service

- (A) Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- (B) For calculating credit allowances, every month is considered to have thirty (30) days.
- (C) A credit allowance will be given for interruption of thirty (30) minutes or more. Two or more interruptions of fifteen (15) minutes or more during any one 24-hour period shall be combined into one cumulative interruption.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.7 Allowances for Interruption in Service, (Continued)

2.7.4 Application of Credits for Interruptions in Service, (Continued)

(D) Interruptions of 24 Hours or Less

Length of Interruption	Amount of Service to be Credited
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

(E) Interruptions Over 24 Hours and Less Than 72 Hours

Interruptions over 24 hours and less than 72 hours will be credited 1/3 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

(F) Interruptions Over 72 Hours

Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than thirty (30) days credit will be allowed for any one-month period.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.7 Allowances for Interruption in Service, (Continued)

2.7.5 Limitations on Allowances

No credit allowance will be made for:

- (A) interruptions due to the negligence of or noncompliance with the provisions of this tariff by the Customer, authorized user or joint user;
- (B) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer;
- (C) interruptions of service during any period in which the Company is not given full access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (D) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (E) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (F) interruption of service due to circumstances or causes beyond the reasonable control of Company; and
- (G) that occur or continue due to the Customer's failure to authorize replacement of any element of special construction.

2.7.6 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of eight (8) hours or more or cumulative service credits equaling sixteen (16) hours in a continuous twelve (12) month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

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SECTION 2.8 - RULES AND REGULATIONS (CONTINUED)

2.8 Cancellation of Service/Termination Liability

If a Customer cancels a service order or terminates services before the completion of the term for any reason other than a service interruption (as defined in Section 2.7.1) or where the Company breaches the terms in the service contract, Customer may be requested by the Company to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.6.2.

2.8.1 Termination Liability

Customer's termination liability for cancellation of service shall be equal to:

- (A) all unpaid non-recurring charges reasonably expended by Company to establish service to Customer, plus;
- (B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
- (C) all recurring charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- (D) minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.

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SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.9 Reserved for Future Use

2.10 Use of Customer's Service by Others

2.10.1 Resale and Sharing

There are no prohibitions or limitations on the resale of services. Prices for services appear in the price sheet attached to this tariff. Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws of the South Dakota Public Utilities Commission regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.10.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

2.11 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights or duties to a) any subsidiary, parent company or affiliate of the Company; b) pursuant to any sale or transfer of substantially all the assets of the Company; or c) pursuant to any financing, merger or reorganization of the Company.

SECTION 2.0 - RULES AND REGULATIONS (CONTINUED)

2.12 Notices and Communications

- 2.12.2 The Customer shall designate on the service order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 2.12.3 The Company shall designate on the service order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.12.4 Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.12.5 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 3.0 - SERVICE AREAS

3.1 Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in areas currently served by the following Incumbent LECs: 1) U S WEST.

3.2 Rate Groups

Charges for local services provided by the Company may be based, in part, on the Rate Group associated with the Customers End Office. The Rate Group is determined by the total access lines and PBX trunks in the local calling area which can be reached from each End Office.

In the event that an Incumbent LEC or the South Dakota Public Utilities Commission reclassifies an exchange from one Rate Group to another, the reclassification will also apply to customers who purchase services under this tariff. Local calling areas and Rate Group assignments are equivalent to those areas and groups specified in U S WEST's South Dakota General Subscriber Service Tariff (GSST).

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SECTION 3.0 - SERVICE AREAS (CONT'D)

3.3 Extended Area Service Additive

Certain exchanges within the Telecommunications Service Territory within South Dakota utilize an Extended Area Service additive to the rates provided in Sections 7.2, 7.3 and 7.5 of this tariff. The following chart identifies the additive rates that need to be added to the rates in these sections for the Extended Area Service rate.

3.3.1 Flat Rate Service Additive

To Be Determined

3.3.2 Message Rate Service Additive

To Be Determined

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SECTION 4.0 - SERVICE CHARGES AND SURCHARGES

4.1 Service Order and Change Charges

Non-recurring charges apply to processing Service Orders for new service, for changes in service, and for changes in the Customer's primary interexchange carrier (PIC) code.

	<u>Residence</u>	<u>Business</u>
Line Connection Charge		
First Line	TBD	TBD
Each Additional Line	TBD	TBD
Line Change Charge		
First Line	TBD	TBD
Each Additional Line	TBD	TBD
Secondary Service Order Charge	TBD	TBD

4.2 Maintenance Visit Charges

Maintenance Visit Charges apply when the Company dispatches personnel to a Customer's premises to perform work necessary for installing new service, effecting changes in service or resolving troubles reported by the Customer when the trouble is found to be caused by the Customer's facilities.

Maintenance Visit Charges will be credited to the Customer's account in the event trouble is not found in the Company facilities, but the trouble is later determined to be in those facilities.

The time period for which the Maintenance Visit Charges is applied will commence when Company personnel are dispatched at the Customer premises and end when work is completed. The rates for Maintenance of Service vary by time per Customer request.

<u>Duration of time, per technician</u>	<u>Residential</u>	<u>Business</u>
Initial 15 minute increment	TBD	TBD
Each Additional 15 minute increment	TBD	TBD

4.3 Restoration of Service

A restoration charge applies to the restoration of suspended service and facilities because of nonpayment of bills and is payable at the time that the restoration of the suspended service and facilities is arranged. The restoration charge does not apply when, after disconnection of service, service is later re-installed.

	<u>Residence</u>	<u>Business</u>
Per occasion	TBD	TBD

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS

5.1 General

5.1.1 Services Offered

The following Network Services are available to residence/business Customers and for resale by other carriers certificated by the South Dakota Public Utilities Commission:

- Standard Residence Line Service
- Standard Business Line Service
- PBX Trunk Service
- Direct Inward Dial (DID) Service
- Optional Calling Features

The following services are available to residence/business Customers and are not offered on a resale basis as of the effective date of this page:

- Listing Services (including Non Published and Non Listed Services)
- Directory Assistance
- Miscellaneous Services (including Vanity Numbers and Number Portability)

5.1.2 Application of Rates and Charges

All services offered in this tariff are subject to service order and change charges where the Customer requests new services or changes in existing services, as well as indicated Non-Recurring and Monthly Recurring Charges. Charges for local calling services may be assessed on a measured rate basis and are additional to monthly recurring charges shown for Business or Residence lines, PBX Trunks, DID Trunks and Digital/DS1 service.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONT'D)

5.1 General (Continued)

5.1.3 Emergency Services Calling Plan

Access (at no additional charge) to the local operator or emergency services bureau by dialing 0- or 9-1-1 is offered at no charge to the Customer.

Message toll telephone calls, to governmental emergency service agencies as set forth in (A) following, having primary or principal responsibility with respect to the provision of emergency services to persons and property in the area from which the call is made, meeting the definition and criteria of an emergency call as set forth in (B) following are offered at no charge to Customers:

Governmental fire fighting, South Dakota State Highway Patrol police, and emergency squad service (as designated by the appropriate governmental agency) qualify as governmental emergency service agencies provided they answer emergency service calls on a personally attended (live) twenty-four (24) hour basis, three hundred sixty-five (365) days a year, including holidays.

An emergency is an occurrence or set of circumstances in which conditions pose immediate threat to human life, property, or both and necessitate that prompt action be taken. An emergency call is an originated call of short duration to a governmental emergency services agency in order to seek assistance for such an emergency.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.2 Call Timing for Usage Sensitive Services

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 5.2.1 Calls are measured in durational increments identified for each service. All calls, which are fractions of a measurement increment, are rounded up to the next whole unit.
- 5.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 5.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.
- 5.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 5.2.5 All times refer to local time.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.3 Distance Calculations

Where charges for a service are specified based upon distance, the following rules apply:

5.3.1 Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in Local Exchange Routing Guide issued by Bellcore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is not telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

5.3.2 The airline distance between any two rate centers is determined as follows:

- Step 1: Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced Bellcore document.
- Step 2: Computer the difference between the "V" coordinate of the two rate centers and the difference between the two "H" coordinates.
- Step 3: Square each difference obtained in step (2) above.
- Step 4: Add the square of the "V" difference and the square of the "H" difference obtained in step (3) above.
- Step 5: Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.
- Step 6: Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

5.3.3 The formula for distance calculations is:

$$(V_1 - V_2)^2 + (H_1 - H_2)^2$$

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.4 Rate Periods for Time of Day Sensitive Services

5.4.1 For time of day, usage sensitive services, the following rate periods apply unless otherwise specified in this tariff.

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO							
5:00 PM*							
5:00 PM							
TO							
11:00 PM*							
11:00 PM TO							
8:00 AM*							

DAYTIME RATE PERIOD

EVENING RATE PERIOD

EVE

NIGHT/WEKEND RATE PERIOD

*Up to but not including

5.4.2 Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rates in effect at that boundary for each portion of the call, based on the time of day at the Customer location.

5.4.3 For services subject to holiday discounts, the following are Company recognized national holidays, determined at the location of the calling station. The evening rate is used on national holidays, unless a lower rate normally would apply.

New Year's Day
Memorial Day
Independence Day
Thanksgiving Day
Christmas Day

January 1
As Federally Observed
July 4
As Federally Observed
December 25

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.5 Standard Residence Line

A Standard Residence Line provides the Customer with a single, analog, voice-grade telephone communications channel, which can be used to place or receive one call at a time. Standard Residence Lines are provided for the connection of Customer-provided wiring and single station sets or facsimile machines. An optional per line Hunting feature is available for multi-line Customers which routes a call to an idle station line in a prearranged group when the called station line is busy.

5.6 Standard Business Line

The Standard Business Line provides a Customer with a single, analog, voice-grade telephone communications channel, which can be used to place or receive one call at a time. Standard Business Lines are provided for the connection of Customer-provided wiring and single station sets or facsimile machines. An optional per line Hunting feature is available for multi-line Customers which routes a call to an idle station line in a prearranged group when the called station line is busy.

5.7 PBX Trunk Service

Basic PBX Trunk Service provides a Customer with a single, voice-grade telephone communications channel, which can be used to place or receive one call at a time. Basic Trunks are provided for connection of Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Basic PBX Trunk is provided with touch-tone signaling and may be configured into a hunt group at no additional charge with other Company-provided Basic PBX Trunks. The signal is an analog signal at the COA level.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.8 Reserved for Future Use

5.9 Direct Inward Dialing (DID) Service

Direct Inward Dialing ("DID") permits calls incoming to a PBX system or other Customer Premises Equipment to be routed to a specific station without the assistance of an attendant. DID calls are routed directly to the station associated with the called number. DID service as offered by the Company provides the necessary trunks, telephone numbers, and out pulsing of digits to enable DID service at a Customer's location. DID service requires special PBX software and hardware not provided by the Company. Such hardware and software is the responsibility of the Customer.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.10 Reserved for Future Use

5.11 Optional Calling Features

The features listed in Section 5.11.1 are offered by the Company to Residential and Business Customers. Refer to Price Lists in Sections 6 and 7 of this tariff for specific features offered with each type of local exchange service.

5.11.1 Features Descriptions

(A) **Flexible Call Forwarding:** Provides end user control for call forwarding capabilities via dial-accessed voice prompt menus. Customers may forward calls to a primary local or long distance. The end user may specify a secondary location for routing of go unanswered at the forward-to location or reach a busy signal. This secondary location may be another telephone number, pager or voice messaging service. Other capabilities included with this feature include:

Speed Forwarding;
Priority Screening;
Ring Control; and
Timed Forwarding.

It is the responsibility of the Customer to subscribe to the telephone number, pager or voice messaging service used as the secondary location.

(B) **Flexible Call Forwarding with Audio Calling Name:** Provides all of the functionality of Enhanced Call Forwarding. Also permits the end user to receive the Directory Name of the party's whose call was forwarded to primary number. In some situations, the end user may hear the calling party's city and state or telephone number, depending on available call data.

(C) **Flexible Call Forwarding Plus:** Provides all of the functionality of Enhanced Call Forwarding. Also includes an additional telephone number with directory listing and distinctive ringing for calls placed to the additional number. Enhanced Call Forwarding Plus allows parties to reach the end user's location when ECF is active and all calls to the end user's main telephone number would normally forward. Calls to the additional number do not forward even when Enhanced Call Forwarding is active.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued)

- (D) **Flexible Call Forwarding Plus with Audio Calling Name:** Provides all of the functionality of Enhanced Call Forwarding Plus including the additional telephone number with listing and distinctive ringing. Also permits the end-user to receive the Directory Name of the party's whose call was forwarded to primary number. In some situations, the end-user may hear the calling party's city and state or telephone number, depending on available call data.
- (E) **Call Forwarding Variable:** Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code from his/her exchange line along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature.
- (F) **Call Forwarding Variable, Remote Access:** Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature. Feature activation may be performed from the end-user's exchange line or remotely from some other line. Remote access requires the end-user to (1) dial a special access number 2) enter their seven-digit telephone number and 3) enter a personal identification number prior to forwarding their calls.
- (G) **Call Forwarding Don't Answer, Basic:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order.
- (H) **Call Forwarding Don't Answer w/Ring Control:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The forward-to number is fixed by the service order. However, the end-user has the ability to change the time interval before forwarding occurs at his/her discretion.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued)

- (I) **Call Forwarding: Don't Answer w/ Customer Control:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.
- (J) **Call Forwarding Busy Line, Basic:** Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order.
- (K) **Call Forwarding Busy Line w/ Customer Control:** Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.
- (L) **Call Waiting - Basic:** Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting is provided with the feature and allows a Call Waiting end-user to disable the Call Waiting feature for the duration of a single outgoing telephone call. Cancel Call Waiting is activate by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued)

(M) **Call Waiting -- Deluxe:** Allows the end-user to control the treatment applied to incoming calls while the Customer is off-hook on an existing call. This feature includes the capabilities of Call Waiting Basic plus additional call treatment options. Treatment options offered with Call Waiting Deluxe include:

- Answer the waiting call and placing the first party on hold.
- Answer the waiting call and disconnecting from the first party.
- Direct the waiting caller to hold via a recording.
- Forward the waiting caller to another location (e.g., voice mailbox or telephone answering service).

Full utilization of Call Waiting Deluxe requires specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE. The end-user must have Caller ID Basic or Deluxe for display of calling party identification information for waiting calls. The end-user must have a Call Forwarding don't Answer feature active in order to forward a waiting call to another location.

(N) **Call Waiting - Deluxe with Conferencing:** Provides all of the functionality of Call Waiting Deluxe. Also permits the end-user to conference a waiting call with an existing call (first party) and, if desired, subsequently drop either leg of the conferenced call.

(O) **Caller ID - Basic:** Permits the end user to view a Display Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued)

- (P) **Caller ID - Deluxe:** Permits the end-user to view a Directory Name and Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE. In some situations, the calling party's city and state may be displayed rather than a Directory Name, depending on available call data.
- (Q) **Anonymous Call Rejection:** Permits the end-user to automatically reject incoming calls when the call originates from a telephone number which has blocked delivery of its calling number (see Calling Number Delivery Blocking). When active, calls from private numbers will be routed to a special announcement then terminated. The feature may be turned on or off by the end-user by dialing the appropriate feature control code. Anonymous Call Rejection is offered as a stand-alone feature or as an add-on to Caller ID Deluxe.
- (R) **Call Block:** Allows the end-user to automatically block incoming calls from up to six end-user pre-selected telephone numbers programmed into the feature's screening list. Callers whose numbers have been blocked will hear a recorded message stating that their call has been blocked. The end-user controls when the feature is active, and can add or remove calling numbers from the feature's screening list.
- (S) **Call Return:** Allows the Customer to return a call to the last incoming call whether answered or not. Upon activation, it will redial the number automatically and continue to check the number every 45 seconds for up to 30 minutes if the number is busy. The Customer is alerted with a distinctive ringing pattern when the busy number is free. When the Customer answers the ring, the call is then completed. The calling party's number will not be delivered or announced to the call recipient under any circumstances.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued)

- (T) **Call Selector:** Allows a Customer to assign a maximum of 15 telephone numbers to a special list. The Customer will hear a distinctive ring when calls are received from telephone numbers on that list.
- (U) **Call Tracing:** Allows the tracing of nuisance calls to a specified telephone number suspected of originating from a given local office. The tracing is activated upon entering the specified dial code. The originating telephone number, outgoing trunk number or terminating number, and the time and date are generated for every call to the specified telephone number can then be identified.
- (V) **Calling Number Delivery Blocking:** Prevents the delivery, display and announcement of the end-user's Directory Number and Directory Name on all calls dialed from an exchange service equipped with this option. When active, the end-user's telephone name and number will not appear on the called party's Caller ID CPE or be disclosed in another way. The feature is available on a per call or per line basis. With per call Calling Number Delivery Blocking, it is necessary for the end-user to dial an activation code prior to placing the call. With the per line version of the feature, all calls are placed with the end-user's number blocked. Per line end-users must dial an activation code prior to utilization.
- (W) **Message Waiting Indication:** Provides the end-user with an audible (stutter dial tone) or visual (lamp or other CPE display) indication that messages are waiting to be retrieved. Message Waiting Indication can only be activated/deactivated by a voice mailbox or other voice messaging service provided by the Company or third party. It is the responsibility of the Customer to subscribe to a compatible voice messaging service. Visual Message Waiting Indication requires specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE.

SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued):

- (X) **Multiple Directory Number Distinctive Ringing:** This feature allows an end user to determine the source of an incoming call from a distinctive ring. The end user may have up to two additional numbers assigned to a single line (i.e. Distinctive Ringing - First Number and Distinctive Ringing - Second Number). The designated primary number will receive a normal ringing pattern; other numbers will receive distinctive ringing patterns. The pattern is based on the telephone number that the calling party dials.
- (Y) **Preferred Call Forwarding:** Permits the end user to automatically forward to another number calls received from up to six end-user pre-selected telephone numbers programmed into the features screening list. The end user controls when the feature is active, the forward-to-number and can add or remove calling numbers from the feature's screening list.
- (Z) **Repeat Dialing:** Permits the end user to have calls automatically redialed when the first attempt reaches a busy number. The line is checked every 45 seconds for up to 30 minutes and alerts the Customer with a distinctive ringing pattern when the busy number and the Customer's line are free. The Customer can continue to make and receive calls while the feature is activated. The following types of calls cannot be reached using Repeat Dialing:

- Calls to 800 Service numbers
- Calls to 900 Service numbers
- Calls preceded by an interexchange carrier access code
- International Direct Distance Dialed calls
- Calls to Directory Assistance
- Calls to 911

SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.11 Optional Calling Features, (continued)

5.11.1 Feature Descriptions, (continued)

- (AA) **Speed Calling:** Permits the Customer to place calls to other telephone numbers by dialing a one or two digit code rather than the complete telephone number. The feature is available as either an eight (8) code list or a thirty (30) code list. Code lists may include local and/or toll telephone numbers. The Customer has the ability to add or remove telephone numbers and codes to/from the speed calling list without assistance from the Company.
- (AB) **Three Way Calling:** Permits the end-user to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The end-user initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.12 Listing Services

For each Customer of Company-provided Exchange Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings for an additional charge.

5.12.1 Non-Published Service

This optional service provides for suppression of printed and recorded directory listings. A Customer's name and number do not appear in printed directories or Directory Assistance Bureau records.

5.12.2 Non-Listed Service

This optional service provides for suppression of printed directory listings only. Parties may still obtain the Customer's number by calling the Directory Assistance Bureau.

5.13 Directory Assistance

Provides for identification of telephone directory numbers, via an operator or automated platform. Customers are provided with a maximum of 2 listings per each call to Directory Assistance.

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SECTION 5.0 - NETWORK SERVICES DESCRIPTIONS (CONTINUED)

5.14 Reserved for Future Use

5.15 Reserved for Future Use

5.16 Miscellaneous Services

5.16.1 Main Number Retention

Main Number Retention is an optional feature by which a Customer, who was formerly a customer of another certified local exchange carrier at the same premises location, may retain its main telephone numbers and main fax numbers for use with the Company-provided Exchange Services. Main Number Retention service is only available in areas where the Company maintains some form of number retention arrangement with the Customer's former local exchange carrier.

5.16.2 Pay Per Call Blocking/Unblocking

This service provides the option of blocking, or subsequent unblocking, all 900 and 976 calls on a per line basis. The Company will provide for per-line blocking where the Company's switching facilities permit.

5.16.3 Vanity Number Service

This service provides for the reservation of special or unique telephone number and fax number for use with the Company-provided exchange services.

5.16.4 Presubscription Services

This service provides for the Presubscription of local exchange lines provided by the Company to the intraLATA and interLATA long distance carrier(s) selected by the Customer.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST

7.1 General

Services provided in this tariff section are available on a Resale Service basis. Local Resale Services are provided through the use of resold switching and transport facilities obtained from Other Telephone Companies.

The rates, terms and conditions set forth in the section are applicable where the Company provides specified local exchange services to Customers through resale of local exchange services.

All rates set forth in this Section are subject to change and may be changed by the Company pursuant to notice requirements established by the South Dakota Public Utilities Commission. The rates, terms and conditions set forth in this Section are applicable as of the effective date hereof and will not apply to any Customer whose services may have been provisioned through resale of 's local exchange services, in whole or in part, prior to the effective date hereof.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.2 Standard Residence Local Exchange Service

Standard Residence Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel, which can be used to place or receive one call at a time. Standard Residence Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available for multi-line Customers, which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate, measured rate or message rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas.

Recurring charges for Standard Residence Local Exchange Service are billed monthly in advance. Usage charges if applicable are billed in arrears. Usage charges may apply for calls placed from the Customer's line. No usage charges will apply to calls received by the Customer. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.2 Standard Residence Local Exchange Service (Continued)

7.2.1 Monthly Recurring Charges

The following charges apply to Standard Residence Local Exchange Service lines per month. Rates and charges include Touch-tone Service for each line. The rates and charges below apply to service provided on a month-to-month basis.

TO BE DETERMINED

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.2 Standard Residence Local Exchange Service (Continued)

7.2.2 Other Monthly Recurring Charges

(A) End-User Common Line (EUCL) Recovery Charge

The following charge applies to recovery of End User Common Lines charges billed to the Company by the Incumbent LEC.

Single Line Customer, Per Line TBD

Multi-line Customer, Per Line TBD

(B) Hunting (a.k.a. Rotary or Grouping)

The following charges apply to Standard Residence Local Exchange lines equipped with Hunting. Rates vary based on Rate Group.

To Be Determined

7.2.3 Usage Sensitive Charges and Allowances

(A) Flat Rate Service

No measured or message charges apply to calls placed or received from Flat Rate service lines. Customers receive unlimited calling within their local calling area.

SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.2 Standard Residence Local Exchange Service, (Continued)

7.2.3 Usage Sensitive Charges and Allowances, (Continued)

(B) Message Service

Customers subscribing to Message Service will receive a monthly usage allowance of 30 outgoing calls. This allowance is applied to local calls placed from the Customer's line. Local usage in excess of the allowance will be billed in arrears. Local usage is billed on a per call basis.

Per Local Call

TBD

(1) Calls to Expanded Service Areas

The following per minute rates apply to calls to points in the Expanded Service Areas as defined in the General Subscriber Service Tariff, Section A3, presently on file with the SD PUC.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.2 Standard Residence Local Exchange Service, (Continued)

7.2.4 Non-Recurring Charges

Non-recurring charges apply to each line installed for the Customer. Non-recurring charges are in addition to applicable service order charges contained in Section 4 of this tariff. All such charges will appear on the next bill following installation of the service.

A separate non-recurring per line charge will apply where the Customer currently has service from the Incumbent LEC and requests an "As-Is" changeover of all current service(s) and features from the Incumbent LEC to the Company without any changes in such service or features. This Change Over Charge applies in lieu of the nonrecurring charges listed in the table below.

Non-recurring charges for installation of Residential lines are:

First Line	TBD
Each Additional Line(1)	TBD
"As-Is" Change Over, Per Line	TBD

NOTES:

- (1) Additional Line installation charges apply only when 2 or more lines are installed at the same time and at the same Customer Premises.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.3 Standard Business Local Exchange Service

Standard Business Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel, which can be used to place or receive one call at a time. Standard Business Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate, measured rate or message rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas.

Recurring charges for Standard Business Local Exchange Service are billed monthly in advance. Usage charges, if applicable are billed in arrears. Usage charges may apply for calls placed from the Customer's line. No usage charges will apply to calls received by the Customer. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.3 Standard Business Local Exchange Service. (Continued)

7.3.1 Monthly Recurring Charges

The following charges apply to Standard Business Local Exchange Service lines per month. Rates and charges include Touchtone Service for each line. The rates and charges below apply to service provided on a month-to-month basis.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.3 Standard Business Local Exchange Service, (Continued)

7.3.2 Other Monthly Recurring Charges

(A) End-User Common Line (EUCL) Recovery Charge

The following charge applies to recovery of End User Common Line charges billed to the Company by the Incumbent LEC.

Single Line Customer, Per Line	FED
Multiline Customer, Per Line	FED

(B) Hunting (a/k/a Rotary or Grouping)

The following charges apply to Standard Business Local Exchange lines equipped with Hunting. Rates vary based on Rate Group.

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SECTION 7.0 - LOCAL RETAIL SERVICES PRICE LIST (CONTINUED)

7.3 Standard Business Local Exchange Service. (Continued)

7.3.3 Usage Sensitive Charges and Allowances

(A) Flat Rate Service

No measured or message charges apply to calls placed or received from Flat Rate service lines. Customers receive unlimited calling within their local calling area.

(B) Message Service

Customers subscribing to Message Service will receive a monthly usage allowance of 75 outgoing calls. This allowance is applied to local calls placed from the Customer's line. Local usage in excess of the allowance will be billed in arrears. Local usage is billed on a per call basis.

Per Local Call

TOB

(1) Calls to Expanded Service Areas

The following per minute rates apply to calls to points in the Expanded Service Areas as defined in the C. S. WEST's General Service Order Service Tariff presently on file with the SD PUC.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.3 Standard Business Local Exchange Service, (Continued)

7.3.4 Non-Recurring Charges

Non-recurring charges apply to each line installed for the Customer. Non-recurring charges are in addition to applicable service order charges contained in Section 4 of this tariff. All such charges will appear on the next bill following installation of the service.

A separate non-recurring per line charge will apply where the Customer currently has service from the Incumbent LEC and requests an "As-Is" changeover of all current service(s) and features from the Incumbent LEC to the Company without any changes in such service or features. This Change Over Charge applies in lieu of the nonrecurring charges listed in the table below.

Non-recurring charges for installation of Residential lines are:

First Line	TBD
Each Additional Line(1)	TBD
"As-Is" Change Over, Per Line	TBD

NOTES:

- (1) Additional Line installation charges apply only when 2 or more lines are installed at the same time and at the same Customer Premises.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.5 Residence and Business PBX Trunk Service

PBX Trunk service provides a Customer with a single, voice-grade telephonic communications channel which can be used to place one call at a time. Trunks are provided for connection of Customer-provided private branch exchanges (PBX) or other station equipment to the public switched telecommunications network.

PBX Trunks are available to Business and Residence Customers as Inward, Outward or Two-Way combination trunks where services and facilities permit.

Each PBX Trunk is provided with Touchtone signaling at no additional charge. An optional per trunk Hunting feature is available for Customers which routes a call to the next idle trunk in a prearranged group (see Sections 7.2 and 7.3).

PBX Trunks may also be equipped with Direct Inward Dialing (DID) capability and DID number blocks for additional charges (see Section 7.6).

7.5.1 Flat Rate Service

To Be Determined

7.5.2 Message Rate Service

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.6 Direct Inward Dialing (DID) Service

Direct Inward Dialing ("DID") permits calls incoming to a PBX system or other Customer Premises Equipment to be routed to a specific station without the assistance of an attendant. DID calls are route directly to the station associated with the called number. DID service as offered by the Company provides the necessary trunks, telephone numbers and out-pulsing of digits to enable DID service at a Customer's location. DID service requires special PBX software and hardware not provided by the Company. Such hardware and software is the responsibility of the Customer.

The following charges apply to Customers subscribing to DID service provided by the Company. These charges are in addition to recurring and non-recurring charges for PBX Trunks as shown in Section 7.5 of this tariff. The Customer will be charged for the number of DID numbers utilized out of the available 20 numbers.

	Installation Charge	Monthly Recurring
Establish Trunk Group and Provide 1 st Block of 20 DID Numbers	TBD	TBD
Each Additional Block of 20 DID Numbers	TBD	TBD
DID Trunk Termination:	TBD	TBD
Per Inward Only Trunk	TBD	TBD
Per Combination Trunk with Call Transfer		
Dual Tone Multifrequency Pulsing Option, Per Trunk	N/A	TBD
Automatic Intercept Service, Per Number Referred	TBD	N/A

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

- 7.7 Reserved For Future Use
- 7.8 Optional Calling Features

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability. Certain features may not be available with all classes of service. Transmission levels for calls forwarded or calls placed or received using optional calling features may not be acceptable for all some uses in some cases.

7.8.1 Features Offered on a Usage Sensitive Basis

The following features are available to all local exchange Business and Residential line Customers where facilities and services permit. Customers may utilize each feature by dialing the appropriate access code. The Customer will be billed the Per Feature Activation Charge shown in the following table each time a feature is used by the Customer. Customers may subscribe to these features on a monthly basis at their option to obtain unlimited use of these features for a fixed monthly charge.

Optional Calling Features	Residential	Business
Three-Way Calling	TBD	TBD
Call Return	TBD	TBD
Repeat Dialing	TBD	TBD
Calling Number Delivery Blocking, Per Call	TBD	TBD

Denial of per call activation for Three-Way Calling, Call Return and Repeat Dialing from any line or trunk is available to Customers upon request at no additional charge.

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.8 Optional Calling Features. (Continued)

7.8.2 Features Offered on a Monthly Basis

The following optional calling features are offered to Customers on a monthly basis. Customers are allowed unlimited use of each feature. No usage sensitive charges apply. Multiline Customers must order the appropriate number of features based on the number of lines which will have access to the feature.

Optional Calling Feature	Residence	Business
Flexible Call Forwarding		
Flexible Call Forwarding with Audio Calling Name		
Flexible Call Forwarding Plus		
Flexible Call Forwarding Plus with Audio Calling Name		
Call Forwarding Variable		
Call Forwarding Variable with Remote Access		
Call Forwarding Don't Answer - Basic		
Call Forwarding Don't Answer w/Ring Control		
Call Forwarding Don't Answer w/Customer Control		
Call Forwarding Busy Line - Basic		
Call Forwarding Busy Line w/Customer Control		
Call Waiting - Basic		
Call Waiting - Deluxe		
Call Waiting - Deluxe with Conferencing		

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SECTION 7.0 - LOCAL RESALE SERVICES PRICE LIST (CONTINUED)

7.8 Optional Calling Features, (Continued)

7.8.2 Features Offered on a Monthly Basis

Optional Calling Feature (cont'd)	Residence	Business
Caller ID - Basic		
Caller ID - Deluxe		
Caller ID - Deluxe W/Anonymous Call Rejection		
Anonymous Call Rejection		
Call Block		
Call Return		
Call Selector		
Call Tracing		
Calling Number Delivery Blocking (per line equipped)		
Message Waiting Indication - Audible		
Message Waiting Indication - Audible and Visual		
Multiple Directory Number Distinctive Ringing - First DN		
Multiple Directory Number Distinctive Ringing - Second DN		
Preferred Call Forwarding		
Repeat Dialing		
Speed Calling (10 codes)		
Speed Calling (8 codes)		
Three Way Calling		

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings

8.1.1 General

The following rules apply to standard listings in light face type in the white pages (alphabetical section) of the telephone directory and to the Directory Assistance records of the Company.

Only information necessary to identify the Customer is included in these listings. The Company use abbreviations in listings. The Company may reject a residence listing which is judged to be advertising. It may also reject a listing it judges to be objectionable. A name made up by adding a term such as Company Shop, Agency Works, etc. to the name of a commodity or service willing to be accepted as a listing unless the subscriber is legally doing business under that name.

A name may be repeated in the white pages only when a different address or telephone number is used.

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Continued)

8.1.2 Composition of Listings

(A) Names

The following names may be included in business service listings:

- (1) The name of subscriber or joint user.
- (2) The name of each business enterprise which the subscriber or joint user conducts.
- (3) The name by which the business of a subscriber or joint user is known to the public. Only one such name representing the same general line of business will be accepted.
- (4) The name of any person associated with the subscriber or joint user in the same business.
- (5) The name of any person, firm or organization which subscriber or joint user is authorized to represent or the name of an authorized representative of the subscriber or joint user.
- (6) Alternative spelling of an individual name or alternative arrangement of a business name, provided the listing in the judgment of the Company is not for advertising purposes. The name of a publication issued periodically by the subscriber or joint user.
- (7) The name of an inactive business organization in a cross-reference listing when authorized by such business or organization.
- (8) The name of a member of subscriber's domestic establishment when business service is furnished in the subscriber's residence.
- (9) The name of a corporation which is the parent or a subsidiary of the subscriber.
- (10) The name of a resident of a hotel, apartment house, boarding house or club which is furnished PBX service, may be included in a residence type listing with the telephone number of the PBX service.
- (11) The name of the subscriber to a sharing arrangement.

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Continued)

8.1.2 Composition of Listings, (Continued)

(B) Designation

The purpose of a business designation is to identify the listed party and not to advertise the business. No designation of the nature of the business is included if this is sufficiently indicated by the name. Where a listed party is engaged in more than one general line of business, one additional business designation may be included in the listing when necessary to identify the listed party. When a listed party has two or more listed telephone number or two or more business addresses, designations indicating the branches of the organization may be included where necessary to assist the public in calling.

A designation may include a title to indicate a listed party's official position, but not the name of the firm or corporation with which the individual is connected. Individual names or titles are not shown following the name of a firm or corporation. A term such as "renting agent" may be included in a listing indented under the name of a building, provided the agent maintains a renting office in such a building.

A designation is not ordinarily provided in a residence type listing except for residential service as permitted under the terms of this tariff. A professional designation is permitted on residence service in the case of a physician, surgeon, dentist, osteopath, chiropractor, podiatrist, optometrist, chiropractor, physiotherapist, Christian Science practitioner, veterinary surgeon, registered nurse or licensed practical nurse, provided that the same name and designation is also listed on business service of that subscriber or another subscriber to the same or different directory.

The listing of service in the residence of a clergyman may include the designation "parsonage," "rectory," "parish house," or "manse," and any such listing may be indented under a listing in the name of the church. Where residence service is furnished in a church study, the listing may include the designation "study."

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Continued)

8.1.2 Composition of Listings, (Continued)

(C) Address

Each residence or non-profit listing may, but does not have to, include the house number and street name of the residence where the telephone service is provided. Other information, such as a building name or a locality designation, may be included to help identify the Customer.

(D) Telephone Number

Each listing may include only one telephone number, except in an alternate telephone number listing where each number listed is considered a line for rate purposes.

A listing may include only the telephone number of the first line of a PBX system or incoming service group, except that a trunk not included in the incoming service group of a PBX system, or the first trunk of a separate incoming service group of a PBX system may be listed to meet special conditions where a corporation and its subsidiaries use the same PBX system.

SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Continued)

8.1.3 Types of Listings

(A) Standard Listing

A standard listing includes a name, designation, address and telephone number of the Customer. It appears in the White Pages of the telephone directory and in the Company's Directory Assistance records. The designation in the listing will be provided according to the rules in paragraph 8.1.2.2 above.

(B) Indented Listing

An indented listing appears under a standard listing and may include only a designation, address and telephone number. An indented listing is allowed only when a Customer is entitled to two or more listings of the same name with different addresses or different telephone numbers. For example:

Smith, John MD
Office 125 Portland 555-4130
Residence 9 Glenway 555-8345

Such listing may be furnished as an indented listing or as a sub-caption. The telephone number in such a listing may be that of another service furnished the same subscriber or one of the subscriber's PBX trunks not included in the incoming service group, or the service furnished a different subscriber.

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Continued)

8.1.3 Types of Listings, (Continued)

(C) Alternate Telephone Number Listing and Night Listing

Any listed party who has made the necessary arrangements for receiving telephone calls during his or her absence may have an alternate telephone number listing or a night listing, such as the following:

If no answer call (telephone number)

Night calls (telephone number)

Night calls after ____ PM (telephone number)

Nights, Sundays and holidays (telephone number)

5PM to 9AM weekdays, Saturday until 9AM, Monday and holidays
(telephone number)

Such listing may be furnished as an indented listing or as a sub-caption. The telephone number in such a listing may be that of another service furnished the same subscriber or one of the subscriber's PBX trunks not included in the incoming service group, or the service furnished a different subscriber.

(D) Duplicate Listing

Any listing may be duplicated in a different directory or under a separate geographical heading in the same directory. Such listing may be duplicated in indented form.

(E) Reference Listing

A subscriber having exchange services listed under different geographical headings may have an indented listing in reference form in lieu of a duplicate listing.

(F) Cross Reference Listing

A cross reference listing may be furnished in the same alphabetical group with the related listing when required for identification of the listed party and not designated for advertising purposes.

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.4 Free Listings

The following listings are provided at no additional charge to the Customer: one listing for each individual line service, auxiliary line or PBX system.

8.1.5 Rates for Additional Listings - Business Customers

The following rates and charges apply to additional listings requested by the Customer over and above those free listings provided for in Section 8.1.4.

Type of Listing	Residential Charge	Business Charge
Reference/Cross Reference:		
- Each Listing	TBD	TBD
Alternate Telephone Number/Night Listing:		
- Night, Sundays & Holidays	TBD	TBD
- First Line	TBD	TBD
Additional Listing	TBD	TBD
Foreign Listing	TBD	TBD
Dual Name Listing - Non Recurring		
	TBD	TBD

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.2 Non-Published Service

8.2.1 General

Non-published service means that the Customer's telephone number is not listed in the directory, nor does it appear in the Company's Directory Assistance Records.

8.2.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-published number only when the caller dials direct or gives the operator number. No exceptions will be made, even if the caller says it is an emergency.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-published number in the directory or disclosing it to some. If, in error, the telephone number is published in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for non-published service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-published service or the disclosing of said number to any person.

8.2.3 Rates and Charges

There is a monthly charge for each non-published service. This charge does not apply if the Customer has other listed service at the same location; if the Customer lives in a hotel, boarding house or club with listed service; or if the service is installed for a temporary period.

Non-published service charge, per month

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.3 Non-Listed Service

8.3.1 General

Non-listed service means that the Customer's telephone number is not listed in the directory, but does it appear in the Company's Directory Assistance Records.

8.3.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-listed number.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-listed number in the directory or disclosing it to some. If, in error, the telephone number is listed in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for non-listed service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-listed service or the disclosing of said number to any person.

8.3.3 Rates and Charges

There is a monthly charge for each non-listed service. This charge applies if the Customer has other listed service at the same location; if the Customer lives in a hotel, boarding house or club with listed service; or if the service is installed for a temporary period.

Non-listed service charge, per month:

TBD

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SECTION 8.0 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.4 Directory Assistance Services

8.4.1 Directory Assistance

A Directory Assistance charge applies per local directory assistance call. The Customer may make two (2) requests for a telephone number per call. The Directory Assistance Charge applies regardless of whether the Directory Assistance operator is able to supply the requested number. No charge applies for the first call per month per residence line.

Each Local Directory Assistance Call

TSD

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SECTION 9.0 - RESERVED FOR FUTURE USE

9.1 Reserved For Future Use

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SECTION 10.0 - RESERVED FOR FUTURE USE

10.1 Reserved For Future Use

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SECTION 11.0 - MISCELLANEOUS SERVICES

11.1 Carrier Presubscription

11.1.1 General

Carrier Presubscription is a procedure whereby a Customer designates to the Company the carrier which the Customer wishes to be the carrier of choice for intraLATA and interLATA toll calls. Such calls are automatically directed to the designated carrier without the need to use carrier access codes or additional dialing to direct the call to the designated carrier. Presubscription does not prevent a Customer who has presubscribed to an IntraLATA or InterLATA toll carrier from using carrier access codes or additional dialing to direct calls to an alternative long distance carrier on a per call basis.

11.1.2 Presubscription Options - Customers may select the same carrier or separate carriers for intraLATA and interLATA long distance. The following options for long distance Presubscription are available:

- Option A:** Customer select the Company as the presubscribed carrier for IntraLATA and InterLATA toll calls subject to presubscription.
- Option B:** Customer may select the Company as the presubscribed carrier for IntraLATA calls subject to presubscription and some other carrier as the presubscribed carrier for interLATA toll calls subject to presubscription.
- Option C:** Customer may select a carrier other than the Company for intraLATA toll calls subject to presubscription and the Company for interLATA toll calls subject to presubscription.
- Option D:** Customer may select the carrier other than the Company for both intraLATA and interLATA toll calls subject to presubscription.
- Option E:** Customer may select two different carriers, neither being the Company for intraLATA and interLATA toll calls. One carrier to be the Customers' primary intraLATA interexchange carrier. The other carrier to be the Customer's primary interLATA interexchange carrier.
- Option F:** Customer may select a carrier other than the Company for no presubscribed carrier for intraLATA toll calls subject to presubscription which will require the Customer to dial a carrier access code to route all intraLATA toll calls to the carrier of choice for each call.

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SECTION 11.0 - MISCELLANEOUS SERVICES (CONTINUED)

11.1 Carrier Presubscription, (Continued)

11.1.3 Rules and Regulations

Customers of record will retain their primary interexchange carrier(s) until they request that their dialing arrangements be changed.

Customers of record or new Customers may select either Options A, B, C, D, E or F for intraLATA Presubscription.

Customers may change their selected Option and/or presubscribed toll carrier at any time subject to charges specified in 11.4.5 below.

11.1.4 Presubscription Procedures

A new Customer will be asked to select intraLATA and interLATA toll carriers at the time the Customer places an order to establish local exchange service with the Company. The Company will process the Customer's order for service. All new Customers initial requests for intraLATA toll service presubscription shall be provided free of charge.

If a new Customer is unable to make selection at the time the new Customer places an order to establish local exchange service, the Company will read a random listing of all available intraLATA and interLATA carriers to aid the Customer in selection. If selection is still not possible, the Company will inform the Customer that he/she will be given 90 calendar days in which to inform the Company of his/her choice for primary toll carrier(s) free of charge. Until the Customer informs the Company of his/her choice of primary toll carrier, the Customer will not have access to long distance services on a presubscribed basis, but rather will be required to dial a carrier access code to route all toll calls to the carrier(s) of choice. Customers who inform the Company of a choice for toll carrier presubscription within the 90-day period will not be assessed a service charge for the initial Customer request.

Customers of record may initiate an intraLATA or interLATA presubscription change at any time, subject to the charges specified in 11.4.5 below. If a Customer of record inquires of the Company of the carriers available for toll presubscription, the Company will read a random listing of all available intraLATA carriers to aid the Customer in selection.

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SECTION 11.0 - MISCELLANEOUS SERVICES (CONTINUED)

11.1 Carrier Presubscription, (Continued)

11.1.5 Presubscription Charges

(A) Application of Charges

After a Customer's initial selection for a presubscribed toll carrier and as detailed in Paragraph 11.4.4 above, for any change thereafter, a Presubscription Change Charge, as set forth below will apply. Customers who request a change in intraLATA and interLATA carriers with the same order will be assessed a single charge per line.

(B) Nonrecurring Charges

Per business or residence line, trunk, or port

Initial Line, or Trunk or Port	TBD
Additional Line, Trunk or Port	TBD

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Advanced Telecom Group, Inc.
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

SECTION 12.0 - RESERVED FOR FUTURE USE

12.1 [Reserved for Future Use]

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SECTION 13.0 - RESERVED FOR FUTURE USE

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South Dakota Tariff Number 1
Original Page 95

SECTION 14.0 - RESERVED FOR FUTURE USE

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SECTION 15.0 - PROMOTIONAL OFFERINGS

15.1 Special Promotions

The Company may from time to time engage in special promotional trial service offerings of limited duration (not to exceed ninety days on a per Customer basis for non-optional recurring charges) designed to attract new subscribers or to increase subscriber awareness of a particular tariff offering. Requests for promotional offerings will be presented to the Commission for its review in accordance with rules and regulations established by the Commission, and will be included in the Carrier's tariff as an addendum to the Carrier's price lists.

15.2 Discounts

The Company may, from time to time as reflected in the price list, offer discounts based on monthly volume (or, when appropriate, "monthly revenue commitment" and/or "time of day" may also be included).

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ORIGINAL SHEET 1

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by Advanced TelCom Group, Inc. ("ATGI"), with principal offices at 110 Stony Point Road, Second Floor, Santa Rosa, CA 95401. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

ISSUED: , 2000

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EFFECTIVE:

, 2000

Clifford G. Rudolph, CEO
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ADVANCED TELCOM GROUP, INC.

ORIGINAL SHEET 2

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

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ADVANCED TELCOM GROUP, INC.

ORIGINAL SHEET 3

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
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19	Original
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21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original

* New or Revised Sheet

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TELECOMMUNICATIONS SERVICES TARIFFTARIFF FORMAT

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 12 cancels 3rd Revised Sheet 12. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subordinate to the next higher level:

- 2.
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.1
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I
- 2.1.1.A.1.(a).I.(1)
- 2.1.1.A.1.(a).I.(1).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the number, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current filing with the Commission.

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TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to the Company's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the South Dakota Public Utilities Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of the Company and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or ATGI - Used throughout this tariff to mean Advanced TelCom Group, Inc., a Delaware corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

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ORIGINAL SHEET 8

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by the Company for telecommunications between points within the State of South Dakota. Services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers. The Company may examine the credit profile/record of any applicant prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

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- 2.1.1 The services provided by the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers which may be subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of the Company.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching components of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this tariff's 2.1.
- 2.2.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 The Company's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 The Company does not transmit messages, but the services may be used for that purpose.
- 2.2.6 The Company's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, or caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmission.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 Reserved for Future Use
- 2.3.5 Reserved for Future Use
- 2.3.6 Reserved for Future Use

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.4.3 If required for the provision of the Company's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or services, that the signals emitted into the Company's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Company equipment, personnel or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.
- 2.4.9 If the Company installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal, and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, the Company may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any bill due the Company for more than thirty (30) days after issuance of the bill for the amount due, unless the charge is in dispute;
 - 2.5.1.B For violation of any of the provisions of this tariff;
 - 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over the Company's services, or
 - 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.5.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

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ADVANCED TELCOM GROUP, INC.

ORIGINAL SHEET 17

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.

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110 Stony Point Road, Second Floor
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TELECOMMUNICATIONS SERVICES TARIFF

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.8 Deposit

The Company does not require deposits.

2.9 Advance Payments

The Company does not require advance payments.

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Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
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TELECOMMUNICATIONS SERVICES TARIFF2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt. A late fee will be assessed on unpaid amounts 30 days after rendition of bills.
- 2.10.2 The customer is responsible for payment of all charges for services rendered to the customer, as well as to all persons using the customer's coin, extended lines, facilities, or equipment, with or without the knowledge or consent of the customer. The company, on the customer's authorization, shall, without charge, maintain, extend lines, and other services, facilities to the satisfaction of the customer. All coin placed into service, extended facilities, extended services, lines, or communications shall be billed to and must be paid by the customer. Charges based on actual usage during a month or any other period, shall be billed monthly or bi-monthly.
- 2.10.3 All bills are rendered monthly, and are due within 30 days of the date of billing. The customer shall pay the bill as rendered by the company. In the event the customer does not pay the bill as rendered, the company is entitled to suspend service, or to discontinue service, or to take such other action as it deems necessary to protect itself from loss. The company is entitled to suspend service, or to discontinue service, or to take such other action as it deems necessary to protect itself from loss.

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TELECOMMUNICATIONS SERVICES TARIFF**2.11 Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by a court of competent jurisdiction or by the Commission.

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Late Charge

A late fee of 1.5% per month on the amount of service authorized by law, whichever is lower, will be charged on any past due balances.

2.14 Returned Check Charge

A fee of \$20.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.15 Reconnection Charge

A reconnection fee of \$25.00 per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.

3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

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- 3.1.3 Timing begins when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for accounting answer, including backward answer supervision in which the local telephone company sends a signal to the answer on the network utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. The Company will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

110 Stony Point Road, Second Floor
Santa Rosa, CA 95401
800-367-2944

An objection to billed charges should be reported promptly to the Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

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TELECOMMUNICATIONS SERVICES TARIFF

The Company will respond within seventy two (72) hours of receipt of an inquiry. If the Customer is dissatisfied with the Company's response to a complaint or inquiry, the Customer may file a complaint with the Commission for resolution of the complaint. The South Dakota Public Utilities Commission may be reached at:

500 East Capitol
 Pierre, SD 57501-8870
 (605) 773-4201
 (800) 332-1702
 TTY through Relay Service South Dakota
 (800) 377-1413

If a Customer accumulates more than one dollar of undisputed delinquent Company 300 Service charges, the Company Resp. Org. reserves the right not to honor that Customer's request for a pass. One dollar worth of undisputed charges are paid as bill.

3.3 Level of Service

A Customer can expect 99% of the service availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions or services are provided by the Company or its intermediary are performed by third parties or other companies or others, the Company or others may be subject to and regulations of such companies and the regulations imposed upon these companies by regulatory bodies having jurisdiction apply. The Company's terms and toll-free telephone number will appear on the Customer's bill.

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TELECOMMUNICATIONS SERVICES TARIFF3.5 Service Offerings

3.5.1 1+ Dialing

This service permits Customers to originate calls via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "10XXXX" followed by "1+ ten digits".

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

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Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

ADVANCED TELCOM GROUP, INC.

ORIGINAL SHEET 25

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

3.5.4 Reserved for Future Use

ISSUED: , 2000

EFFECTIVE: , 2000

ISSUED BY:

Clifford G. Rudolph, CIO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

ADVANCED TELCOM GROUP, INC.

ORIGINAL SHEET 26

SOUTH DAKOTA P&T TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

Reserved for Future

ISSUED: , 2000

EFFECTIVE: . 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

TELECOMMUNICATIONS SERVICES TARIFF

3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

ISSUED: , 2000

EFFECTIVE: , 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

TELECOMMUNICATIONS SERVICES TARIFF

3.5.6 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be filed with the Commission. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. The Company will notify the Commission of such arrangements as required by Commission rules and regulations.

3.5.7 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.8 Promotional Offerings

The Company may, from time to time, have promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

ISSUED: , 2000

EFFECTIVE:

, 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 1+ Dialing

\$0.15 per minute

A \$4.95 per month service charge applies.
Billed in one minute increments.

4.2 Travel Cards

\$.199 per minute

A \$.25 per call service charge applies.
Billed in one minute increments.

ISSUED: , 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

EFFECTIVE:

, 2000

TELECOMMUNICATIONS SERVICES TARIFF

4.3 Toll Free

\$0.15 per minute

A \$10 per month per number service charge applies.
Billed in one minute increments.

4.4 Reserved for Future Use

ISSUED: , 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

EFFECTIVE:

, 2000

TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$20.00

ISSUED: , 2000

EFFECTIVE: , 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

TELECOMMUNICATIONS SERVICES TARIFF4.7 Rate Periods

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		
5 p.m. to 11 p.m.*	Evening Rate Period		Evening Rate Period
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

The Customer will be assessed a monthly federal Universal Service Fund Contribution charge on all telecommunications services, which in no event shall be less than the prevailing contribution percentage rate charged the Company on intrastate traffic by the Universal Service Administrative Company (or any successor) or any state agency or its administrator. A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

ISSUED: , 2000

EFFECTIVE: , 2000

ISSUED BY:

Clifford G. Rudolph, CEO
110 Stony Point Road, Second Floor
Santa Rosa, CA 95401

CONFIDENTIAL

[]

ADVANCED TELCOM GROUP, INC.

NO. 011900

INVOICE NO.	INVOICE DATE	DESCRIPTION	AMOUNT	BALANCE
CR03/15/00	15-MAR-00	Filing fee for CPON service	8.00	250.00
TC00-075				

00 EVERGREEN DATA SYSTEMS INC
PLEASE DETACH AND RETAIN THIS STATEMENT AS YOUR RECORD OF PAYMENT

THANK YOU

8.00

250.00



**Advanced
TelCom
Group, Inc.**

110 Stony Point Road, Suite 200
Santa Rosa, California 95401
(707) 284-5000 FAX: (707) 284-5001

BANK OF AMERICA
CORPORATE BANKING SERVICES
WEST GATEWAY BLVD
CONCORD, CA 94520
(415) 974-1234

No. 011900

PAY

Two Hundred Fifty Dollars And 00 Cents*****

TO THE
ORDER OF

State of South Dakota
c/o Lance Steinhart
6455 East Johns Crossing, Ste. 285
Duluth, GA 30097
United States

Charles H. Long

⑈011900⑈ ⑆121000158⑆ 12311-1061⑈

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of April 20, 2000 through April 26, 2000

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CE00-001 In the Matter of the Complaint filed by B. J. Pease, et al., Similarly Situated Consumers, Aberdeen, South Dakota, against NorthWestern Public Service Company Regarding Multiple Billing Issues.

The complainant alleges multiple issues regarding the NorthWestern Public Service Company billings and billing practices for electric service. The complainant requests numerous remedies to include: compensation from NorthWestern Public Service Company for the Public Utilities Commission to assess fines against NWPS for its practices and other corrective measures to address the issues.

Staff Analyst: Charlene Lund
Staff Attorney: Karen Cremer
Date Docketed: 04/25/00
Intervention Date: NA

CT00-062 In the Matter of the Complaint filed by Margery Jensen, Yankton, South Dakota, against OLS, Inc. Regarding Unauthorized Switching of Services.

The Complainant alleges that she received a telemarketing call concerning OLS services and refused the offer. The switch was made without authorization. For a resolution the Complainant requests reimbursement for all charges, plus compensation for time and stress.

Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Date Docketed: 04/20/00
Intervention Deadline: NA

CT00-063 In the Matter of the Complaint filed by Tim and Kay Trooien, White, South Dakota, against HBS Billing Services and Business Options, Inc. Regarding Unauthorized Switching of Services and Unauthorized Billing for Services.

The complainants allege they received a phone bill in March, 2000, with long distance charges from HBS Billing Services from December 1, 1999 to January 15, 2000. The complainants did not recognize HBS Billing Services and report that neither authorized a change in telephone service. The complainants request that HBS Billing Services be penalized to the full extent of the law for the unlawful change in long distance services. The complainants request that the PUC force HBS Billing Services to fully reimburse them with a billing refund and the \$1000.00 compensation.

Staff Analyst: Charlene Lund
Staff Attorney: Camron Hoseck
Date Docketed: 04/20/00
Intervention Deadline: NA

CT00-064 In the Matter of the Complaint filed by Steve Paulson, Business Manager, Yankton Janitorial Supply, Yankton, South Dakota, against U S Republic Communications, Inc. Regarding Unauthorized Switching of Long Distance Carrier.

The complainant, Steve Paulson, Business Manager for Yankton Janitorial Supply alleges that he noticed the phone service had been switched on the 1/25/00 phone bill. He identified charges from OANC and U S Republic Communications. The complainant states that the only person authorized to switch providers is the business owner, Dixie Church. Ms. Church confirmed that she did not authorize a switch in long distance services. The complainant requests that the PUC talk to U S Republic and get them off of their phone bill and have U S Republic pay for the \$50.56 phone charges and other fines the state laws deem.

Staff Analyst: Charlene Lund
Staff Attorney: Camron Hoseck
Date Docketed: 04/20/00
Intervention Deadline: NA

CT00-065 In the Matter of the Complaint filed by Vesta Jensen, Brookings, South Dakota, against Global Crossing Telecommunications, Inc., formerly Allnet Communication Services, Inc. d/b/a Frontier Communications Services and Teltrust Communications Services, Inc. d/b/a Teltrust and d/b/a TCS Regarding Unauthorized Switching of Services.

The Complainant states that her out-of-state long distance service was switched without authorization on February 24, 2000. She requests that "the Public Utilities Commission should enforce the stiffest fines and penalties to stop the long distance phone companies from changing anyone's service without permission."

Staff Analyst: Leni Healy
Staff Attorney: Camron Hoseck
Date Docketed: 04/25/00
Intervention Deadline: NA

CT00-066 In the Matter of the Complaint filed by Wheeler and Gloria Gill, Townhouse Bakery, Canton, South Dakota, against Long Distance Services, CEO Telecommunications, Inc., Business Options, Inc. and Home Owners Long Distance, Inc. Regarding Unauthorized Switching of Services and Unauthorized Billing for Services.

The complainants allege that the long distance service to their business was switched by CEO Telecom/ LD Service, Long Distance Service and Business Options, Inc./Home Owners Long Distance without their authorization. The complainants request that the identified companies be prosecuted to the full extent of the South Dakota law.

Staff Analyst: Charlene Lund
Staff Attorney: Camron Hoseck
Date Docketed: 04/25/00
Intervention Date: NA

CT00-067 In the Matter of the Complaint filed by Shelly Slagle, Yankton, South Dakota, against OLS, Inc. Regarding Switching Telecommunications Services Through Deceptive Practices.

The Complainant alleges that through a deceptive telemarketing call, her long distance service was switched. The Complainant did not receive the rates or plan as outlined by the telemarketer. The Complainant is seeking the maximum fines as compensation.

Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Date Docketed: 04/25/00
Intervention Deadline: NA

ELECTRIC

EL00-012 In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions.

MidAmerican Energy Company is proposing to add a provision to the Electric Tariff Rules and Regulations. The new provision is for diversion of electric service.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 04/25/00
Intervention Deadline: N/A

GAS AND ELECTRIC

GE00-002 In the Matter of the Filing by the Dunham Company for a Master Metering Variance Request for the River Centre Office Building, Sioux Falls, South Dakota.

The Dunham Company has filed a request for a variance from Administrative Rules of South Dakota (ARSD) 20:10:26:04(6) for the Proposed River Centre Office Building in Sioux Falls, South Dakota. The proposal includes one electric and gas meter serving the first four floors with four or five additional gas and electric submeters for the condominium units on the fifth floor.

Staff Analyst: Michele Farris, Martin Bettman
Staff Attorney: Camron Hoseck
Date Docketed: 04/24/00
Intervention Deadline: 05/12/00

TELECOMMUNICATIONS

TC00-074 In the Matter of the Filing by City of Brookings Telephone Company d/b/a Swiftel Communications for Approval of its Revised Service Territory as a Result of Annexation.

As a result of a recent annexation to the City of Brookings, the Commission received a filing from the City of Brookings Telephone d/b/a Swiftel Communications for approval to include property recently annexed in its exclusive franchise territory. The service territory change includes the South East Quarter of the North East Quarter of Section 34, T110N, R50W, Outlot 5 in the South East Quarter of Section 15, T110N, R50W all in the County of Brookings, South Dakota; and Blocks 4, 5, and 6, Freeland Addition in the South East Quarter of Section 18, T110N, R49W. The request is made pursuant to SDCL 49-31-21.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Docketed: 04/21/00
Intervention Deadline: 05/12/00

TC00-075 In the Matter of the Application of Advanced TelCom Group, Inc. for a Certificate of Authority to Provide Telecommunications Services, Including Local Exchange Services, in South Dakota.

Advanced TelCom Group, Inc. submitted an application on April 25 to provide resold and facilities-based local exchange and interexchange telecommunications services in South Dakota. The applicant intends to market its services to primarily small to mid-sized businesses and residential customers.

Staff Analyst: Heather Forney
Staff Attorney: Camron Hoseck
Date Docketed: 04/25/00
Intervention Deadline: 05/12/00

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
ADVANCED TELCOM, INC. FOR A)	CERTIFICATE OF
CERTIFICATE OF AUTHORITY TO PROVIDE)	AUTHORITY
TELECOMMUNICATIONS SERVICES,)	
INCLUDING LOCAL EXCHANGE SERVICES, IN)	TC00-075
SOUTH DAKOTA)	

On April 25, 2000, the Public Utilities Commission (Commission) received an application for a certificate of authority from Advanced TelCom Group, Inc. (Advanced TelCom).

Advanced TelCom proposes to offer resold and facilities-based local exchange and interexchange service. A proposed tariff was filed by Advanced TelCom.

On April 27, 2000, the Commission electronically transmitted notice of the filing and the intervention deadline of May 12, 2000, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled September 13, 2000, meeting, the Commission considered Advanced TelCom's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to rural safeguards, and subject to the condition that Advanced TelCom not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. On August 1, 2000, Advanced TelCom Group, Inc. changed its name to Advanced TelCom, Inc.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and 49-31-69 and ARSD 20:10:24:02, 20:10:24:03 and 20:10:32:03. The Commission finds that Advanced TelCom has met the legal requirements established for the granting of a certificate of authority. Advanced TelCom has, in accordance with SDCL 49-31-3 and 49-31-71, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota.

The Commission approves Advanced TelCom's application for a certificate of authority, subject to rural safeguards, and subject to the condition that Advanced TelCom not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. The certificate of authority for Advanced TelCom shall authorize it to offer local exchange services in South Dakota, except in those areas served by a rural telephone company. In the future, should Advanced TelCom choose to provide local exchange services statewide, with respect to rural telephone companies, Advanced TelCom will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural

service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that Advanced TelCom's application for a certificate of authority to provide telecommunications services, including local exchange services, is granted, subject to the condition that Advanced TelCom not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission, and it is

FURTHER ORDERED, that Advanced TelCom shall file informational copies of tariff changes with the Commission as the changes occur, and it is

FURTHER ORDERED, that the Commission shall authorize Advanced TelCom to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company.

Dated at Pierre, South Dakota, this 19th day of September, 2000

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Nelson Kelbo</u>
Date:	<u>9/20/00</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company
Including Local Exchange Services
Within The State of South Dakota

Authority was Granted September 13, 2000
Docket No. TC00-075

This is to certify that

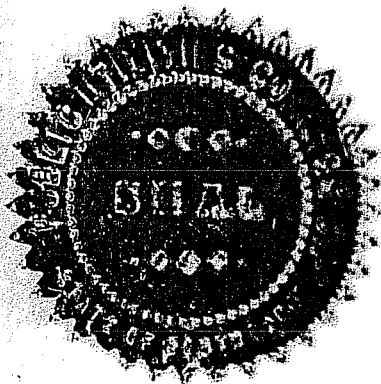
ADVANCED TELCOM, INC.

*is authorized to provide telecommunications services, including local
exchange services, in South Dakota.*

This certificate is issued in accordance with SDCL 49-31-3 and 49-31-69
and ARSD 20:10:24:02 and 20:10:32:03, and is subject to all of the conditions
and limitations contained in the rules and statutes governing its conduct of
offering telecommunications services.

Dated at Pierre, South Dakota, this 13th day of September, 2000

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**



James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner